Legislative Assembly

Thursday, 17 November 1994

THE SPEAKER (Mr Clarko) took the Chair at 10.00 am, and read prayers.

SELECT COMMITTEE ON ROAD SAFETY

Reports Nos 2 and 3, Tabling

MR CATANIA (Balcatta) [10.03 am]: On behalf of the chairman, who unfortunately cannot be here today, I present the following reports of the Select Committee on Road Safety: Crash Causes and the Problems in Western Australia, known as report No 2, and Vehicle Occupant Restraints, known as report No 3. I move -

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

These reports have been prepared by the committee to assist members to understand the major causes of road crashes and the extent of road safety problems in Western Australia. The committee has identified three major causes of road crashes in Western Australia. The human factor causes 67 per cent of all road crashes in Western Australia, and in combination with other factors causes an additional 28 per cent. The road environment factor causes 4 per cent of road crashes, and in combination with other factors causes an additional 24 per cent. The vehicle factor causes 4 per cent of road crashes, and in combination with other factors causes an additional 4 per cent. Therefore, the human factor is the major cause of road crashes in Western Australia.

The report states that the way to reduce the number of road crashes caused by the human factor is by improving training, education, regulations, enforcement and licensing procedures. The two training centres which the former Opposition promised prior to the 1993 election would have gone a long way towards reducing the 67 per cent of road crashes which are caused by human error. That promise has not been honoured and the Government should be damned for having no intention of honouring that promise. The way to reduce the number of road crashes caused by road environment factors is by improving road design, surface, signs, signals, markings, verges and poles. Climatic conditions impinge upon the road environment and should be taken into consideration in road design and construction. The way to reduce the number of road crashes caused by vehicle factors is by improving the design and performance of vehicles, concentrating on tyres, brakes, air bags and restraints. The committee found on its travels overseas that a lot of education and funding had gone into an investigation of how to make vehicles safer to drive and that there would be fewer crashes and fatalities if all vehicles included air bags and had safe tyres and brakes.

The report also refers to the significant costs associated with road deaths. It bears out quite dramatically the minimum cost of crashes based on after-crash expenses for legal and medical bills and property damage etc. A fatal accident in an urban area costs $650 000, whereas in a rural area it costs $800 000. An accident involving injury but not death in urban areas costs $30 500. In rural areas, the cost of vehicle damage only, taking into account legal and property damage is $9 500 in urban areas and $7 700 in rural areas. The total cost of road accidents on Western Australian roads is a minimum of $1b a year or $700 each year for each person living in Western Australia. Clearly the cost of motor vehicle accidents to the Western Australian economy is significant. Any Government on examination of these statistics should be persuaded to set aside, as the report suggests, a substantial part of its budget for promotion and education of safe driving in an effort to reduce the overall road accident costs.

The report examines road safety as a significant health issue. In fact some of the statistics obtained during our investigation are quite staggering and very concerning. Road crashes are the major cause of injury to infants less than one year old, children aged between five and 14 years and people aged between 15 and 24 years. Those statistics are significant. For people below the age of 65, road crashes account for more years of life

lost than all forms of heart disease, and about three-quarters of life lost through all forms of cancer. In other words, road crashes are a very significant cause of death and injury in Western Australia, more so than heart disease or cancer. On examination of these statistics, the Government should be quite deliberate in its approach to allocating funds with the aim of reducing road crashes. One in three deaths among people aged between five and 29 is due to road crashes. They are significant statistics revealed starkly and vividly in the report.

Major problems that were discussed by the committee which are included in this report are the ever increasing speed on our roads, the influence of alcohol on drivers and how drinking and driving results in crashes and road deaths in this State. We were provided with statistics on these issues for not only Western Australia, but also Australia and other parts of the world. The proportion of people involved in accidents who are under the influence of alcohol is staggering and very concerning. Any Government should ensure that excessive speeding on our roads and drinking and driving is continuously discouraged through promotions. A road safety agenda should focus on acceptance by people that road safety is a health problem for which they must take responsibility. The Police Department, the Health Department and other departments involved with the day-to-day effects of road crashes should take immediate steps to ensure greater coordination between departments so they can deal with the problem more coherently and efficiently.

These are the three aspects which, as I stated previously, cause a great deal of concern and on which the Select Committee on Road Safety has made various recommendations in its report. This Government should immediately investigate the possibility of more financial commitment to this area. Perhaps in its budgetary preparations for 1995-96 it should include a major area to deal with road safety. I reiterate the major problems are excessive speed, alcohol, failure of people to wear restraints and, in country areas, road fatigue. The report offers various solutions recommending better compliance with regulations and better information; more promotion of the very important aspect that if we drink we should not drive; the construction and promotion of better roads and signs; and, of course, the investigation of safety devices in vehicles.

The report refers particularly to blood alcohol levels. More than one-quarter of the 77 drivers killed in crashes had a blood alcohol reading of above 0.08 per cent. One in two of 37 pedestrians killed had readings of above 0.08 per cent. These statistics in Western Australia reveal starkly the cause of road deaths as a result of the consumption of alcohol and are very concerning. The report recommends greater allocation of funds and more effort by the Government to reduce the number of drivers who drink and drive. The statistics vividly show that the risk of being killed on roads increases with the consumption of alcohol. People who drink and drive increase their chances of becoming a road death statistic. Many countries have resorted to reducing the legal limit of blood alcohol content to 0.02 per cent. We in Western Australia allow a blood alcohol level of 0.05 per cent which was legislated for following a great debate. It is an indictment on those people who ridiculed the 0.05 level that many countries are now permitting a blood alcohol level of only 0.02 per cent. They realise, as this report indicates, that drinking and driving is a major cause of fatalities on our roads. It states that freeways and roads that divide traffic in either direction are the safest roads on which to drive. It states also that the single vehicle loss of control crashes represent over 50 per cent of all crashes on open roads. It highlights the roads that go to our southern regions and particularly the Old Coast Road. The report states that greater surveillance, and the construction of better roads in those areas should be carried out. One of the report's major recommendations is the need to concentrate on the drink driving area and for Governments to make a commitment to improve roads and car safety.

The second report refers to vehicle occupant restraints. It states that when compulsory seat belt wearing legislation was introduced in 1971, the number of fatalities and injuries dropped. In 1990 the number of people injured on our roads fell by 64 per cent. The non-wearing of seat belts is still a problem although 98 per cent of drivers wear seat belts. However, 30 per cent of drivers killed were not wearing seat belts at the time of the accident. That statistic should cause concern. One of the great problems occurs in

remote areas where people ride in the trays of utilities and on the backs of trucks. Aborigines are over-represented in those statistics.

Various recommendations are made in this report on occupant restraints. Those recommendations should be adopted immediately by the responsible Ministers. One recommendation that the Minister for Aboriginal Affairs should look at closely is that suggesting that he inquire into the possibility of remote communities which rely on communal transport being encouraged to use minibuses rather than open flat top utilities. The second recommendation that should be considered closely is that the law be changed to make it compulsory for babies to be restrained in approved capsules while travelling in vehicles. Rear facing infant restraints are generally safer than forward facing devices. The report is significant. The committee travelled in Europe and saw quite significant changes made in countries such as Sweden which has eliminated many injuries in car crashes through the proper use of restraints.

I thank on behalf of the chairman and committee, staff and committee members including the clerk of the committee, Mr Keith Kendrick, the research officer, Mr Peter Metropolis for his expert comments and commitment, and the committee secretary, Gerda Slany. The committee travelled throughout Europe and all members contributed in a bipartisan manner. These two reports are examples of the results that can be obtained if cooperation and bipartisanship is displayed in important issues.

MR DAY (Darling Range) [10.25 am]: As the member for Balcatta indicated, the Select Committee on Road Safety is presenting two reports today. The second report provides background information and statistics relating to the road crash problem in Western Australia. Members of the Western Australian community and those with a particular interest in the subject will now have a reference document which indicates the causes of road accidents in Western Australia which cause injury and death on our roads.

The first section of the report indicates that, of the three general causes of road accidents, namely human factors, road environment factors, and vehicle factors, the human factor - human error - is by far the main cause of road accidents in this State and generally throughout the world. It is estimated that human error is involved in 95 per cent of road crashes in this State. The road toll in Western Australia as at 14 November this year stood at 180. At the same time last year, the road toll was 172, an increase of eight. In 1993, the total was 209 killed. If we keep going at the same rate this year, about 220 or more people will be killed on our roads - clearly a trend in the wrong direction.

There has been a significant decline in road fatalities over the past 20 years in this State. It is worth looking at some of the figures. The greatest number of people killed on our roads occurred in 1973 when 358 were killed. Therefore, the decline since then has been significant. There was a general decline until about 1992. In 1988, 230 were killed. There was an increase to 242 in 1989 but since that time there has been a general decrease. In 1990, 196 people were killed and in 1991, the figure went back up to 207. In 1992 it went down to 200 but in 1993 it began to rise again. As I said, last year 209 people were killed and it is estimated that 220 will be killed this year. I repeat: That is a trend in the wrong direction. Something is going wrong and we must increase our efforts to reduce the misery which is caused by road accidents.

The main areas on which we need to concentrate primarily are, firstly, changing human behaviour both through increased education about the causes and how people can reduce their involvement in accidents and, secondly, through increasing the level of enforcement of penalties. Page 9 of the report includes two graphs, figures 3 and 4, which indicate a general decline. The decrease that has occurred is due to the introduction of compulsory seat belt wearing in 1971. It is due also to an increased level of enforcement of penalties over that time, an increased level of education and finally to the introduction of random breath testing in 1988 which led to a further decrease. It is worth looking, however, at the figures for the number of deaths in road accidents in the metropolitan area compared with those in country areas of this State. Figure 4 indicates that, while the number of deaths in the metropolitan area has declined and has stayed at a constant level, the number of deaths in country areas decreased significantly in 1990, but unfortunately in 1991 increased to the old level and has stayed at about the same rate.

The figures that have been provided indicate that the introduction of random breath testing in Western Australia has been worth it. On our side of politics there was some resistance to it. However, its worth has been shown and it is here to stay. In country areas, with the increase in deaths that have occurred, perhaps a greater focus should be given to random breath testing and the use of speed cameras. I hope that suggestion will be taken up by the Police Force, the committee and the Traffic Board in the next 12 months.

The report indicates that in 1993 approximately 35 per cent of people killed in road accidents had a blood alcohol level in excess of 0.05 per cent. That further indicates the need for our continuing attention to this problem. It is worth comparing our rate of death on the roads with those in other States. This appears on page 15 of the report, in the graph in figure 7, which shows that throughout a large part of the 1980s, particularly the latter part, Western Australia achieved the best result of all of the States indicated in the graph. However, since about 1990 we have not been doing the best and our rate has not continued to decline while New South Wales and Victoria have had a continuing decline. That is not surprising, given the committee's observations in those States. They appear to have a greater level of coordination between the various government authorities involved in road safety administration. We observe that we can do better in Western Australia, and that will be the subject of our fifth report which hopefully will be presented in March 1995.

The *National Road Safety Strategy* which was released in September 1992 by the Australian Transport Advisory Council, now known as the Australian Transport Council, set a target of less than 10 deaths per 100 000 population a year to be achieved by the end of the century. Currently Western Australia has a level of about 12.5 deaths per 100 000 population. We need to move a lot further to get to the level of 10, and then even further to go below that level. We should achieve that before the end of the century, and we need to put all of our efforts into that aim.

On page 25 of the report reference is made to some of the primary causes of road accidents in this State. I will not go through all of them, but I will refer to one: Single person vehicles whose drivers lose control in country areas. Fatigue seems to be the major cause of that problem; that is, people falling asleep while they are driving. We need to give further attention to that problem particularly in country areas through, firstly, increased public education; secondly, increased use of profile edge marking on roads; and, thirdly, encouraging the programs which have been undertaken by community groups, such as Apex WA, in country areas which encourage people to stop driving and rest so that they do not fall asleep and hit a tree or run into another vehicle.

The second report presented today is the third in the series. It relates to compulsory wearing of restraints in vehicles. There has been a significant decline in deaths, in part due to the introduction of compulsory wearing of seat belts in 1971. Nevertheless a high proportion of people not wearing seat belts are killed in motor vehicle accidents. This needs to be given greater attention by the community and by the Police Force in this State. In that report attention is drawn to the problems which seem to exist in Aboriginal communities in the north of the State where a large number of people are killed when travelling unprotected in the back of motor vehicles. Some recommendations are made about that; in particular, we refer to measures taken in the Northern Territory, one of which requires cages to be fitted to the back of vehicles, such as utilities, in which people travel unprotected. That may not appear to be a particularly attractive option initially; but if it will prevent deaths, it certainly needs to be instituted in this State.

A recommendation is made that infants of less than one year of age should be restrained in motor vehicles. At present they are not required to be. This is a deficiency. An excessive number of infants have been killed unnecessarily as a result of that lack of compulsory restraint. The introduction of compulsory restraints for those in that age group will have some cost implications, but we make some recommendations about how that will be addressed; firstly, by implementing the system through Australian Red Cross (Western Australia) and, secondly, by introducing a subsidisation scheme, either for the hire or outright purchase of such restraints.

Hopefully the committee will present a further report before the House rises this year relating to the penalties and the demerit points system. As I said earlier, the fifth report will be presented in March next year and will relate to administrative factors. I look forward to making further comments at that time. I again place on record my thanks to the research officer of the committee, Peter Metropolis, and to the clerk of the committee, Keith Kendrick, for their continued assistance with the committee's work.

MS WARNOCK (Perth) [10.37 am]: I share with the Police Force in this State a sense of despair about the size of the State's annual road toll and a sense of puzzlement about why we, as a community, apparently accept this toll when, if 200 or more people were to die every year from an infectious disease, we would be in a state of community panic. When I was a journalist and members of the Police Force regularly appeared on my program, we wondered together how the community accepted what seemed to be a terrible toll. As well as the 200 people who die on the roads each year, hundreds more are seriously injured in accidents on our roads. This is appalling not just for the victims and their families but it is also extraordinarily costly to us as a community.

We are not the only community to grapple with this serious problem, and that is why it is interesting to be a member of this Select Committee on Road Safety. My colleagues, together with our very able research officer, Peter Metropolis, our energetic committee clerk, Keith Kendrick and our very diligent secretary, Gerda Slany, have studied how several other countries have handled this problem. Our diligent studies overseas and in this country show that the Swedes seem to have made more headway in beating the road toll than most of us. They made a determination some years ago to reduce the road toll by a certain quota within a certain time. They worked steadily with that program. First, they worked out strategies to accomplish it. They seem to have succeeded to a large extent. That success leads me to ask what sort of measures we are prepared to take to stop the large number of deaths and injuries on our roads each year. Are we prepared to impose much tougher random breath test conditions? Are we prepared to place more speed cameras or red light cameras on our roads? Are we prepared to accept higher penalties for road traffic offences, or to go to earlier or more thorough road safety education? Members of the select committee have studied lots of material and examined many alternatives. As members of Parliament, at some time in future we should be prepared to debate these issues.

The two reports presented today in a very bipartisan way, one red and the other blue - and I think the colours are very well chosen - on crash causes and problems in Western Australia, and on vehicle occupant restraints such as seat belts and baby capsules, examine some important questions. It will come as no surprise that human factors are the major cause of all accidents. Something like 67 per cent of accidents are caused entirely by human factors, and another 28 per cent involve human factors and other factors such as roads and vehicles. Therefore, the roads and vehicles factors, despite the fact that people often comment about them, are in fact minor problems. It is not surprising also that the cost of road crashes is enormous, amounting to about $1b each year in this State. Around 35 000 crashes are reported each year, but it is important to note that many accidents are not reported. One in three deaths of people between the ages of five and 29 is due to road crashes. That is a considerable number, and one which we, as a community, should be working very hard to change.

Excessive speed, alcohol and failure to wear seat belts are among major factors in accidents. I guess few people in this House - indeed there are few people in this House; but many members sit here - would not be guilty of at least one of those offences at sometime or other, perhaps even recently. We must ask ourselves how serious we are, as a community, about reducing the road toll before we can devise further strategies to cut the toll. We know that the risk of being killed in a car accident increases with a higher blood alcohol level but an alarming number of us are prepared to take that risk regularly. Most drivers wear seat belts - about 98 per cent - but too many passengers, especially in the back seat, do not. That affects the survival rate in a crash, and the statistics prove that.

I know that the member for Bunbury wishes to speak, so I will address briefly the

question of baby capsules. We have recommended that the law be changed to make it compulsory for babies to be restrained in approved capsules when travelling in vehicles. Currently it is not compulsory for babies under 12 months to be restrained. We believe they should be. It is estimated that four babies' lives would have been saved over the past 10 years if approved baby capsules had been used, and many other babies would have avoided injury. That may seem a small number but it is an extraordinarily important number for the people involved. We must do everything in our power to save lives on our roads, and we believe the committee's research will show ways to go about that. I hope that everyone in this Chamber will at sometime read the second and third reports presented this year. We hope to present another report by the end of the year.

MR OSBORNE (Bunbury) [10.45 am]: In common with my colleagues on the Select Committee on Road Safety, the members for Balcatta, Perth and Darling Range, I commend the two reports to the House. I will comment briefly on the nature of the reports and the recommendations contained in them. The select committee has already presented a report on bicycle helmets. The second report is the basis of all the work that the select committee has been doing. We have undertaken an enormous amount of preparatory and background work which was necessary to complete our task. We thought it was important to present all the background material collected, and the understandings we had arrived at on the cause of road crashes in Western Australia so that the Parliament and the public of Western Australia can understand the basis of our subsequent reports. All the reports which follow will include the base material of our second report as a reference and as an argument. Therefore, the second report is a somewhat complex, dense and lengthy volume. However, it is important reading for anyone interested in road safety in Western Australia because it represents an excellent summary of the road safety issue in Western Australia, Australia-wide and significant overseas countries such as Scandinavia, Europe and the United States of America.

This report has allowed us to establish benchmarks which we in Western Australia must strive to attain. In the early 1970s and 1980s Western Australia led the other States and had a fine record in international comparisons on road safety. However, in the late 1980s and early 1990s we lost our lead position in that area. It is up to Parliament to embrace the recommendations of the Select Committee on Road Safety in order to regain the lead. We need to do that not simply because in Western Australia it is important for us to be a leader in every possible area but because we are facing ongoing tragedy and expense on our roads. When I first spoke on road safety I said that the number of people killed on Australian roads is a national tragedy, yet it appears to go unnoticed. It has become a background factor in our lives. It is as though we have come to accept it and are continuously prepared to pay the price for the situation on our roads. That is not necessary.

The second report talks about the causes of road safety problems, and places the road safety issue in context as a cost in the public health arena. It presents arguments and comparisons between the situation in Western Australia and other States and countries. Statistics confirm that human factors are the major cause of road crashes in Western Australia. Therefore, most of the recommendations in the reports will focus on human factors. The statistics indicate that in 67 per cent of all crashes human factors are the sole cause, and when combined with other factors the figure increases to 95 per cent. The recommendations involve training, education, regulations, enforcement and licensing for that reason.

It has been stated that the cost of road crashes in Western Australia is about $1b. That is an enormous amount of money. The road safety committee believes that by making thoughtful and strategic recommendations, and those recommendations being acted on by the Government, a major proportion of that $1b cost to the taxpayers can be saved. The $1b direct cost is only part of the picture. All of us who have had some involvement with a road crash resulting in injury or fatality know that the financial cost is only half of the picture. Taking into account the family tragedy, the social trauma and the ongoing blight on people's lives, the figure of $1b to Western Australia every year can easily be doubled.

About 35 000 crashes are reported to police in Western Australia each year; about only 85 per cent of the total. Road crashes are a major cause of injury, especially for young people. The committee's third report - the second being tabled today - focuses on the issue of seat belt wearing by occupants. We believe it is an issue that is simple to grasp and about which something must be done because road crashes cause the majority of deaths in infants under one year of age, and are a significant cause of death and injury for children aged between five and 14 and all people aged between 15 and 24.

I conclude by briefly commenting on the vehicle occupant restraint report. The non-wearing of seat belts is still a problem in Western Australia. About 98 per cent of drivers wear their seat belts, but among the 2 per cent who do not, a major cause of death emerges. Thirty per cent of drivers and 36 per cent of passengers killed in Western Australia were not wearing a seat belt. It is a significant problem, but it can be addressed simply by a major education campaign and a major refocus on this matter as something that must be dealt with.

Other speakers this morning have commented on problems in remote areas. The third report of the committee makes recommendations to the Minister for Aboriginal Affairs on this matter. The committee is concerned about the high level of fatalities and injuries in Aboriginal communities, to people sitting on the backs of utilities and tray tops. We understand that Aboriginal communities in the outback areas of Western Australia have utilities or tray tops as a utilitarian form of transport. They need them for reasons other than personal transport; to bring commodities into and out of their communities. However, one of the results of this is that large numbers of people are injured and killed by falling off the backs of those vehicles or from being involved in an accident when the vehicle leaves the road and rolls over. We want the Minister for Aboriginal Affairs to investigate the detail of this and encourage communities to use minibuses rather than utilities, and possibly examine the financial implications of making it more attractive for those communities to make use of those vehicles.

Mr Prince: I shall have it looked into.

Mr OSBORNE: I thank the Minister. The committee was also concerned with the problem of not restraining babies in vehicles. As has been mentioned, it is not compulsory for babies under 12 months to be restrained in vehicles. Hospitals in Bunbury do not let parents leave hospital with a baby and not a capsule; however, it is not required by law that parents have babies in capsules. The committee believes that situation should be changed and that capsules should be made compulsory. That will involve some expense for parents. The committee has investigated and reported on the feasibility of a subsidy scheme along the lines of the scheme for bicycle helmets when compulsory wearing was first introduced. Appendix A of the report gives a detailed analysis of the financial cost to the State and the benefits that would come from the use of baby capsules. The committee's calculation is that the total cost would be about $450 000 in the first year, and about $320 000 in subsequent years.

We recommend that the Red Cross organisation be approached to administer the scheme. We believe the Red Cross would be up for an expense of about $312 000 in the first year, and in the second and subsequent years for an expense of about $216 000. The Red Cross is well placed to administer the scheme because it already has an infrastructure in place; it already has a profile in hospitals, and it is already doing this sort of work. The committee had some contact with the Red Cross. It is our understanding that given the necessary administrative support and the implementation of a subsidy scheme by the Government, the Red Cross would be willing to take on that matter.

The committee also made recommendations about young children in cars where a seat belt is fitted but not used; for example, children sitting in the rear seat of a station wagon and, therefore, not using a seat belt. We recommend that if a seat in a car with a seat belt fitted is unoccupied, children should be required to use that seat and not a seat which does not have a seat belt. I am always amazed when I see parents with unrestrained children in the car. It is extremely dangerous. I do not think parents understand the physics of it. I have seen parents who would not put a dozen eggs on the front seat of a

car but are happy to have children unrestrained in the vehicles or nurse children in the front seat. It is physically impossible for a parent to restrain children in an accident by holding onto them. The velocity the child achieves in a head-on crash is far too great.

I commend the reports to the House. The background report is essential reading for anyone who wants to understand the work the committee has done, and the recommendations and reports that will flow from the committee in the next year. The vehicle occupant restraint report addresses a significant problem in Western Australia; one which could be easily solved if we made the appropriate and necessary moves. I echo the comments of the member for Darling Range who thanked our research officer, Peter Metropolis, and the clerk to the committee, Keith Kendrick.

Question put and passed.

[See papers Nos 526 and 527.]

MINISTERIAL STATEMENT - TREASURER

Treasurer's Annual Statements 1993-94 and Analytical Information, Tabling

MR COURT (Nedlands - Treasurer) [10.58 am]: I am pleased to table two documents that clearly illustrate the significant improvement that is occurring in the State's finances under the coalition Government. They confirm that the State public sector is operating in surplus for the first time on record and that net debt is falling. These achievements were never contemplated in the days when the Opposition was in government.

The Treasurer's Annual Statements 1993-94 and the analytical information in support of the Treasurer's Annual Statements which I will table today are important parts of the Government's commitment to financial accountability. They provide disclosure of information and the application of appropriate checks and balances in the discharge of my responsibility as Treasurer. The Treasurer's Annual Statements contain details of the actual outcomes for the various state funds. These data are audited by the Auditor General who, I am pleased to say, gave an unqualified audit opinion on them.

The analytical information in support of the Treasurer's Annual Statements goes beyond the minimum reporting requirements specified in legislation. It has three main features: Firstly, it contains preliminary tables of assets and liabilities data for the public sector as a whole. As a result of ongoing efforts to improve our financial information base these data now include, for the first time, values for land and fixed assets for the general government sector. Secondly, it includes information on the financial outcome for the total public sector for 1993-94 and estimates for 1994-95. These data confirm that for the first time since records were collected in 1961-62 the State's public sector is operating in surplus. The public sector's surplus was $126m in 1993-94 and it is estimated that this surplus will more than double to $276m in 1994-95. This compares with the substantial deficits incurred by the Labor Government in the 1980s. Thirdly, the analytical information document reports on the State's debt position. Most significantly, the document shows that for the first time since records commenced net debt declined by $136m in 1993-94. In addition, the outstanding $125m of the Petrochemical Industries Co Ltd debt was repaid.

The Leader of the Opposition earlier this week said that no-one should doubt Labor's ability to deliver responsible economic management. The opposite is the case - nearly all Western Australians doubt Labor's ability to deliver responsible economic management. Under the Labor Government debt nearly tripled: This increase will not be forgotten by the people of Western Australia.

It is sound financial management to repay debt during the good times - an opportunity our opponents failed to take advantage of in the 1980s. The coalition Government will not squander the opportunity to reduce debt provided by economic growth.

Net debt as a proportion of the State's gross state product has declined from 19.9 per cent at the end of June 1993 to 17.9 per cent in 1994. This is an achievement of which the Government is proud. It is an important step towards our goal of restoring the State's

AAA credit rating. Western Australia and Queensland recorded the strongest reduction in their net debt positions in 1993-94. By contrast, commonwealth debt continues to rise alarmingly. Commonwealth net debt as a proportion of the gross domestic product rose from 12.8 per cent in 1991-92 to 19.7 per cent in 1993-94. Net debt per capita also declined in Western Australia in 1993-94 and expectations are that this will continue in 1994-95. I can assure the Parliament that I will continue to direct the Government's efforts in this direction. High debt is a legacy we inherited and I am gratified that, through sound financial management and a strong economy, we have been able to make a start on reducing debt. However, significantly more remains to be done.

I now seek leave of the House to table the Treasurer's Annual Statements 1993-94, and the analytical information in support of the Treasurer's Annual Statements 1993-94.

[See papers Nos 528(a) and (b).]

SITTINGS OF THE HOUSE - LEGISLATIVE COUNCIL

Rising Thursday, 15 December; Legislative Assembly, 20 December, Possibility

MR C.J. BARNETT (Cottesloe - Leader of the House) [11.02 am]: As members would be aware, the Legislative Council is not sitting this week, but it intends to sit for a week longer than the Legislative Assembly. This being the case, the Legislative Council should rise on Thursday, 15 December 1994. It is a possibility that this House may need to return for one day to deal with Legislative Council messages, and any amendments proposed in that House.

I wish to advise members that the Legislative Assembly may return on Tuesday, 20 December 1994 at 2.00 pm for a one day sitting. I will do whatever possible to avoid that, but I suggest that members keep their diaries free on that day from 2.00 pm onwards.

SALARIES AND ALLOWANCES AMENDMENT BILL

Second Reading

MR COURT (Nedlands - Premier) [11.03 am]: I move -

That the Bill be now read a second time.

In October 1992, when tabling the report of the Royal Commission into Commercial Activities of Government and Other Matters, the then Premier, Dr Carmen Lawrence, informed Parliament that she would recommend strongly that all entitlements accorded to former Premiers and Ministers who were the subject of adverse findings by the commission, be suspended pending the conclusion of investigations by the Director of Public Prosecutions. The Salaries and Allowances Tribunal sought legal opinion and advised that it had no authority to inquire into any question of the suspension or withdrawal of benefits from individual former members. The matter did not proceed further.

Since then, we have witnessed the outcome of the investigations undertaken by the Director of Public Prosecutions which have resulted in two former members being sentenced to prison. The legislation provides for the forfeiture of those entitlements and benefits made available to former Premiers, Ministers and members of Parliament if a person is convicted for an offence against prescribed sections of the Criminal Code and the Royal Commissions Act.

Forfeiture of entitlements will occur automatically in circumstances where a schedule 1 offence is committed while holding public office, and also where offences are committed when not holding public office, but are of a sufficiently serious nature to result in a sentence of imprisonment of not less than 12 months. Furthermore, a court, when convicting a person of an offence committed while holding public office, may in considering the circumstances of the case, determine that the gravity of the offence warrants forfeiture of the entitlements even though the offence is not listed in the schedule. The entitlements and benefits affected are those determined from time to time

by the Salaries and Allowances Tribunal, principally telephone and travel entitlements, including the rail travel gold pass and other travel benefits. I commend the Bill to the House.

Debate adjourned, on motion by Ms Warnock.

RESERVES BILL (No 2)

Committee

Resumed from 16 November. The Deputy Chairman of Committees (Mr Day) in the Chair; Mr Lewis (Minister for Planning) in charge of the Bill.

Progress was reported after clause 9 had been agreed to.

Clause 10: Reserve No. 27004 (Kalbarri National Park) -

Mr KOBELKE: I was fortunate to visit Kalbarri a month ago, and I was agreeably surprised with the extent of development. I had not been to Kalbarri for perhaps 10 years and the range of tourist facilities and general amenities available in the area had improved over that time. Kalbarri is dear to the hearts of many Western Australians. It is accessible from Perth, yet offers a glimpse of the north of the State. It has a tremendous display of flora, along with the rugged beauty of the Murchison Gorges; and being a seaside resort it offers all the attractions of the Indian Ocean. This Bill provides land for the townsite. The Opposition supports the development of Kalbarri, but voices reservations on the way this has been done. The excision is based on a 1992 Cabinet decision, so it has taken some considerable time to bring the Bill forward. At that time Cabinet also decided that in excising land from the national park for the townsite, an equivalent area of land would be added to the park. Although it is a decision of government that land will be put aside for conservation purposes, it is not included in this Bill. Given the time this matter has been in train, the Opposition had hoped that additional land would be added to the park in this Bill to compensate for the land that will be removed. The process of such a land swap should be driven by more than straight economic factors. The planning process should consider the environmental impact of such an excision. Similarly, when additional land is included in the national park, that land should be environmentally significant, so its addition is an advantage to the park. Land should not be taken into the park only by reason of economic convenience.

During my visit to Kalbarri I was taken on a nature walk on the outskirts of the town and talked to experts on the flora of the area. I was impressed with that facility which allowed people to get a glimpse of the diverse range of flora in that area. Some species of flora in the area have not been named, and further botanical work needs to be undertaken. Some species are localised and found only in that narrow range of soils in particular parts of the park. When we make changes to the boundaries there should be a move to include additional areas in the park which contain those localised species, some of which have not been properly identified or named. The Opposition is concerned that the process has not been fully taken up and that it will be a missed opportunity to ensure that the park remains one of the premier national parks in this State.

Mr LEWIS: This clause provides for the excision of approximately 3 000 hectares from this reserve which will be added to the Kalbarri townsite to accommodate the airport and allow for extensions of the town. This proposal has been vigorously pursued by the Shire of Northampton and it is eagerly waiting the passage of this Bill through the Parliament. It is true that it was intended that this area of land be offset by the reservation of approximately 30 000 ha of vacant Crown land 25 kilometres north east of the Kalbarri townsite. That reservation has become the subject of an Aboriginal claim and the matter has been put on hold until the jurisdictions of Aboriginal title have been resolved. That is probably the reason it was not included in this reserves Bill. It was never intended that it be incorporated in reserve 27004; it was to be a separate reserve for conservation.

Mr KOBELKE: I take up the point the Minister made that the area will not be incorporated in the park. I realise that the Minister is handling this Bill on behalf of the Minister in the other place, but is he in a position to indicate what studies have been done

to enhance and extend the park to include areas of significance, rather than a portion of the area which is established by the cadastral boundaries and is somewhat removed from the core of the park? Is there a proposal to construct a road from the south of Kalbarri to Northampton? A dirt road already exists and there has been some discussion on whether it should be upgraded to become a major access road into and out of Kalbarri. Does this issue impinge on this excision or will other access routes be considered?

Mr Lewis: Bearing in mind I am representing the Minister in another place, it is not within my competence to talk about the operations of the Department of Conservation and Land Management. It manages these areas. Neither I nor my adviser know what studies have been undertaken. It is suggested that there be an access road through the reserve, but it would not come under the jurisdiction of a CALM management plan for that park.

Clause put and passed.

Clauses 11 and 12 put and passed.

Clause 13: Reserve No. 1669 in the City of Nedlands -

Mr KOBELKE: Throughout the suburbs of Perth there is a need to establish telecommunications facilities because of the growing popularity of mobile telephones. The Commonwealth requires that land be made available for mobile telephone bases and in this instance an area of land in Nedlands will be set aside for Telecom Australia. The proposed site is class A reserve 1669 which is adjacent to the Nedlands Golf Club and is known as Melvista Park. One of the requirements for this proposal is that the base be established within a wooded area so that it will not impact on the visual amenity of the area, and that is admirable.

The Minister is aware that many people have an interest in the preservation of urban bushland. I am not familiar with this site, but I understand that this reserve is a piece of remnant bushland and is of value to the local people. They would be concerned if an area in the centre of that bushland was cleared. While the excision is only 258 square metres, I do not know whether such a clearing would be visible from the surrounding areas. The Minister may have knowledge of this area and perhaps he could advise the Committee whether it will create an eyesore. I seek an assurance that the integrity of that small amount of bushland will not be interfered with.

Mr LEWIS: I am advised that it is imperative that a transmitter and receiving facility be located in that area, bearing in mind that digital mobile phones do not work in that locality because of the lack of such a facility. I am also advised that quite a lot of care has been taken to locate this facility in such a way that it will not impact visually on the environment. The site is nestled among a stand of trees and that is the reason the facility will be established there - it will not stick out like the proverbial toilet in the desert and will be screened by the existing vegetation. The area that will be required is not very much larger than that required for a house. The local council and the Department of Planning and Urban Development have approved this development and it needs only the resolution of this Parliament to excise that part of the reserve for this facility to go ahead.

Question put and passed.

Clauses 14 and 15 put and passed.

Clause 16: Reserve No. 20585 in the Shire of Murray -

Mr KOBELKE: This clause relates to the vesting of a stopping place on the South Western Highway, south of Coolup in the Shire of Murray. It is close to an area where my great grandparents tried to make a living when they came off the goldfields in the 1890s. Many people settled in Hamel and my great grandparents' experience was disastrous because the operation of a potato farm with a group of Catholic families was not a viable proposition. They moved out and, later, Italians moved in and established the dairy industry. I do not have any knowledge of the area because my great grandparents moved out well before I was born.

The reserve will be vested in the Main Roads Department and it comprises an area of

8.2 hectares. While that is not a large area of land, it would be better not to leave it as part of the road reserve - and that is not in any way a slur on the Main Roads Department. The roads revegetation program of the Main Roads Department is something to be admired, and one would wish to encourage that process of ensuring that we have suitable native vegetation along our road verges. This area would seem to lend itself to management by the Department of Conservation and Land Management and to being put aside for the purpose of fauna and flora rather than being revested with the Main Roads Department. I hope the Minister can give some explanation as to why the Main Roads Department is the best agency. In the normal process this conservation area of vegetation would not normally be placed in the hands of the Main Roads Department.

Mr LEWIS: These stopping place reserves I suppose go back 100-odd years. There used to be places in the early days where people with horses and carts had to stop overnight, and they were located throughout our State for that purpose. They were reserved on the basis that they were public lands that anyone could use, but with the passage of time they are no longer suitable for that use. This reserve has been identified as having some standing from its vegetation. I am advised it is too small to be a viable package to be managed by the shire or, indeed, by CALM. Bearing in mind that the Main Roads Department has in more recent years become well equipped to manage these small reserves, it was considered appropriate that the vesting be granted to the Main Roads Department so it could manage this land and like parcels along main roads. This is only 8 hectares or so and is probably far too small for CALM to take on to be viable in a sense. The Main Roads Department has crews going down the roads and looking after roadside maintenance, so this was considered the most practical way to manage the reserve.

Clause put and passed.

Clause 17: Reserve No. 39897 (Purnululu National Park) -

Mr KOBELKE: I commend the Government for including this area in the A class reserve in the national park known as Purnululu national park and conservation reserve and more commonly known as the Bungle Bungles. The area is to include an airstrip, which is to be incorporated into the park. That fits in with moves announced recently by the Government to encourage tourists in that area to travel by plane to minimise the impact on the environment of the many thousands of people who wish to enjoy the spectacular beauty of the Bungle Bungles. I was fortunate enough to go there last year. Although I drove many thousands of kilometres through the Kimberley, the most enjoyable part of the drive was the bone shattering 70 kilometres from the main road into Bungle Bungle. I had to go so slowly to go through the fords and over the rocks that I enjoyed the wonderful environment. One of the unfortunate side effects of having such marvellous roads is that one travels along at 110 kmh and does not experience the surrounding area. However, having to travel very slowly on the rough roads that exist into Bungle Bungles, I was able to see dingoes; the beauty of the spinifex, which was green at that time; and all the rugged nature of the little hills I had to go through with their various types of flora. One would certainly support the Government in its move to ensure that tourist facilities are made available to people who wish to go and reap the benefit of the experience of looking through the Purnululu national park in such a way that will not be detrimental to it. We would wish to commend the Government for including the additional area which contains the airstrip. We hope it will continue to provide the resources so that the management can meet the demands of tourism in that area.

Clause put and passed.

Clauses 18 to 23 put and passed.

Clause 24: Reserves Nos. 28330 and 24876 in the City of Perth -

Mr KOBELKE: We debated at some length last evening matters relating to clause 24. It relates to the heritage precinct in the central area of Perth and particularly the land currently occupied by the BankWest building stretching from Barrack Street to Hay Street. I will go over a small number of issues raised last night and ask the Minister to

respond again. I do not think his response last night was adequate or in part really correct in so far as the impression he tried to create.

Mr Lewis: Come on!

Mr KOBELKE: I am giving the Minister an opportunity to put it on the record. Although I said in debate that we fully supported the establishment of this heritage precinct and this clause of the Bill, I had concerns about the driving motivation of the Government to bring forward the matter at this time. We are happy that this has taken place. I will not go back over the statements I made last night as they are on the record. However, I pointed out that the Premier suggested that the book value of removing the building from the land was $16m because the land does not belong to the bank. It is government land of which the bank has the use while there is a banking chamber. The bank clearly does not wish to retain it as a banking chamber. The value of the building is likely to be quite low because of the age of the building and excess office space currently available. I indicated that the $16m was likely to be at the top end of the range of the value of that building. The Government has acquired the building so that it can be demolished, which we fully support, but it has cost well in excess of $16m when one takes the cash payment and the plot ratio concession which has been granted by transferring the plot ratio from this site in Barrack Street to the tower on the corner of St George's Terrace.

Mr Lewis: That is just not true; you have no evidence of that at all.

Mr KOBELKE: One of the points I made was that matters seemed to have been rushed through to meet the deadline of 30 June for the balancing of either BankWest or government accounts. The Minister acknowledged that in his reply. He said he was certainly under considerable pressure to have the deal stitched up by 30 June, and he expressed in his speech some annoyance that the matter had to be concluded so quickly by that date.

Mr Lewis: No, that it took so long to do.

Mr KOBELKE: The Minister should read the *Hansard*.

Mr Lewis: No. Do not put words into my mouth, member for Nollamara.

Mr KOBELKE: The Minister said he was under pressure. I certainly raised the question of why it had to be rushed through by 30 June and whose accounting required that the matter be concluded by that date. That was one point I made that the Minister confirmed. The second matter was the value of that concession of $3m. I might have said $3.5m last night but I meant $3m, which was the answer given by the Premier to a supplementary question in the Estimates debate. The Minister indicated there was a valuation. Unfortunately in this town we have a history of valuations being given that were not worth the paper they were written on.

Mr Lewis: By your previous government.

Mr KOBELKE: Not only that but by many other people.

Mr Lewis: It was your previous government. You are reflecting on yourself now.

Mr KOBELKE: The valuation industry has certainly had to pull its socks up. I suggest that the Minister give some substantiation of how he gained that value of $3m. I indicated from the figures available in answers given by the Premier, and in newspaper articles following the sale of that building in the last few days, that the value of the plot ratio had to be in the range of $15m to $22m.

If the $12m cash were added to that, it would equate to an amount between $27m and $34m. Even if I were out by a large factor, that would be well in excess of the value of the building. The Minister said that it did not matter at the end of the day because it was going from one government pocket into another government pocket. I admitted that. My point is that in this era, when the Government claims to be accountable, if it wished to make a cash injection into BankWest, it should have been done up front and not hidden behind a heritage agreement. I shall be pleased to acknowledge I am wrong should the

Government be able to substantiate the figures used. The Minister has so far failed to do so and has simply alluded to a valuation. I demonstrated in this Chamber a few months ago how valuations have been used by the Liberal Party and its friends to do a shonky deal involving Menzies House. I hope the same players are not involved in this deal.

The valuation of $3m on that plot ratio concession will not stand up to scrutiny. It increases the floor space of the tower on the corner of St George's Terrace and William Street by approximately 15 per cent, on a building that has just been sold for $146m. It is beyond the bounds of credibility to suggest it is worth $3m. Either the figures in the papers are wrong or the imputed value of the concession is wrong. My information comes from the Premier in answers to questions, and from material in the Press. The two do not match. It is not a defence in this case for the Minister to try to shift the heat by saying that previous Governments made mistakes in this area. I concede that. The Minister must substantiate the book value of $16m placed on the building to be demolished. I have asked questions on notice, which have not yet been answered, to determine whether that is a realistic figure and whether $3m is a reasonable valuation for the concession given on the plot ratio. On the figures available publicly to me, it is a gross overestimation of the value of that concession.

Mr LEWIS: It is unfortunate that the member for Nollamara judges others on the basis of his actions and the actions of his party. He wants to find something sinister in everything this Government does. He thinks that something must be wrong, it is a shonky deal, or it involves mates of the Liberal Party. I am sick of the carping and knocking, with the member saying that everything the Government does is wrong. I will repeat unequivocally that I have nothing to hide or to defend, and I do not feel any heat from the member for Nollamara or from anyone else with regard to this deal with BankWest. If the member for Nollamara had any sense, he would congratulate the Government on this deal because it has given the Government the opportunity to get on with its heritage program and initiatives in this city and State. The previous Government did not have the vision to get to the first project, let alone proceed any further.

Mr Pendal: They opposed that heritage Bill in the upper House when it was introduced and voted against it.

Mr LEWIS: Exactly. It astounds me that the Opposition questions valuations which have been carried out by a certified, qualified valuer, and not by me or the Premier, or his office or my office. The member tries by a method of deduction to put a value on the BankWest Tower. This is one of the better buildings in our city, in an economically viable and architectural sense. The value of that building is determined by the quality and longevity of its tenancies, the rents currently paid and the capitalisation of the net return. The member for Nollamara used some simple mathematical calculation to determine the value of the plot ratio concession on the BankWest building in Barrack Street. That is totally wrong. The value of the plot ratio in Barrack Street was being assessed, and not the plot ratio concession for the site on the corner of St George's Terrace and William Street. In this case the member's warped, cynical attitude is over the top. I asked what the plot ratio was worth on that site in Barrack Street, and that amount was transferred. The bank had a building next to that site and it intended to use that plot ratio. If someone buys plot ratio, it is valued on the premises of the plot ratio to be transferred, not the value of the buildings to which it will be transferred. Surely any person can understand that. Obviously the member for Nollamara cannot. It is not acceptable for the member to impugn the integrity of the Government, officers of the Department of Land Administration, the Government Property Office, the Heritage Council of Western Australia, the Crown Solicitor's Office, and all those people who have been involved, by suggesting they have done a shonky deal. It illustrates how the member for Nollamara's mind works. He looks for the lowest common denominator and judges everyone on his own cynicism and performance, and the shame he bears for the actions of the previous Government. He should not impugn the integrity of valuers, me, the Premier, and our officers by stating that this deal was not all above board. I totally reject the member's statements. The member can judge people by his own standards, but he should not try to impose those standards on the public or others.

Mr Thomas: Trust me, I am the Government.

Mr LEWIS: It is not a matter of "trust me", it is a question of doing things properly. I go to extreme measures to make sure everything I do is done properly and above board. I have invited the member for Nollamara to put questions on notice, which I will be happy to answer.

We have not been talking about the reservation and the lifting of the Crown grant in trust; we have been talking about political matters that wallow around in the cynical mind of the member for Nollamara, and have nothing to do with this legislation. He is trying to rake up dirt that does not exist. Unfortunately, the Government must deal with this sort of thing all the time, but it is about time the member for Nollamara recognised that members on this side of the Chamber do things properly, and with probity and propriety. As Minister responsible for this deal, I would never do anything in any shape or form to compromise my integrity or that of the Government.

Mr KOBELKE: The Minister said that we should be proud of the deal he has done and explained the basis of the deal. He said that the original plot ratio was not worth much, but when it was transferred to another party it then became worth a lot. He thinks it is a good deal to sell something for its value to the vendor. If that is the way he does deals, I hope he will not do any more for this State. If a person has something to sell which is worth $5 to him, but which he knows is worth $100 to someone else, he strikes a price so that the other person is happy and he gets more than his $5. As far as the Minister is concerned, the plot ratio concession on the site at Barrack Street is not worth much and, therefore, it is okay to sell it for a low price to someone who will make a huge profit. It is an instrumentality of the Government which will make this huge profit, so there is no loss, but we are talking about accountable government, and this deal does not reflect the true value of that plot ratio.

The Minister seems to find it impossible to tell the truth. I suggested last night that part of the reason for my concern was that the deal had been rushed through, firstly, by 30 June, for whatever reason, and, secondly, without a heritage study of the precinct so that the Minister would know whether this was the best way to develop that heritage precinct. A different order of development might prove more beneficial to the people of this State, but we do not know that because there has not been a heritage study of the precinct. When I asked whether it was correct that there had been no formal heritage study, the Minister said that a study had been carried out eight or nine months ago. That is false.

Mr Lewis: It is not false.

Mr KOBELKE: I have checked today, and the contract for that heritage study was let only a month or two ago and is now under way. The Minister for Heritage crowed that this heritage agreement, a major issue in his portfolio, had been stitched up months ago and was a ground breaking deal, yet he did not know that the heritage study for the whole precinct was initiated only a few weeks ago and is now under way. It had not been completed at the time this decision was made; it had not even been started.

A range of heritage studies on particular buildings has been completed, but that is very different from a heritage study of the whole precinct which considers a range of buildings and possibilities for development. The Minister misled this Chamber last night when he said the study was carried out eight or nine months ago.

Mr Lewis: That is when the instruction was given, and I said I believed the study had been commenced.

Mr KOBELKE: The Minister is getting himself in deeper and deeper. It does not work to tell another lie to cover a lie.

Withdrawal of Remark

Mr LEWIS: The member for Nollamara has impugned me by suggesting that I have told another lie to cover a lie, and those words should be withdrawn. The member should know better.

The DEPUTY CHAIRMAN (Mr Day): I did not hear the word "lie", but if the member used it, he should withdraw it.

Mr KOBELKE: I withdraw.

Committee Resumed

Mr KOBELKE: The Minister has told an untruth about an area for which he is responsible and about which any competent Minister would know the facts. He has said something, perhaps in the heat of the moment, which is totally untrue, and now, in order to cover his tracks, he is saying things which are also untrue. No heritage study had been conducted on this precinct at the time this deal was done. The Minister then realised after the event that a heritage study should be conducted, so that study was initiated. I understand the contract was let only a few weeks ago. They are the facts and those facts will stand. The Minister has said other things and he has been shown not to be speaking the truth. In this case, he clearly is not speaking the truth. I looked through *Hansard* this morning and got on the telephone, and I confirmed my details. They are correct. This Minister is wrong and is again misleading this Chamber.

Mr LEWIS: One should not respond to matters of no great substance and to the nitpicking of a small-minded person. Had the member for Nollamara ever been a Minister of the Government he would realise that it is very difficult for Ministers to cart around the thousands of matters that come across their table in the course of their duties. As I said last night, and I do not in any way resile from that, three heritage studies have been conducted.

Mr Kobelke: They were for specific buildings.

Mr LEWIS: That is right. I said last night that I gave an instruction about eight or nine months ago that there should be an overall plan to bring together those studies. Did I say that or not?

Mr Kobelke: You said last night that the study had been done.

Mr LEWIS: I did not. I said I was not sure whether a study had been completed.

Mr Kobelke: You said the study of the precinct was carried out some eight or nine months ago.

Mr LEWIS: I did not say that. I am positive about what I said. I said categorically that I could not be sure. Of what moment is this? Is the reason for this nitpicking to give the member's ego a boost? The member is dreadfully small-minded. Eight or nine months ago, I requested the Director of the Heritage Council to spend $50 000 or $60 000 to conduct a conservation and management plan to bring together all of those studies so that we could get an overall view of that central precinct. I said last night that I was not sure, and I still am not sure, whether that plan had been completed, yet the member tries today in his zealous and small-minded way to score some small point that is of no moment -

The DEPUTY CHAIRMAN: Order! I remind members that under the standing orders of this Chamber, it is appropriate to direct remarks through the Chair.

Mr LEWIS: If that gives the member a kick, big deal! So I did not know whether the heritage study had been completed! I apologise! What does the member want to do - hang me on the Cross? I challenge anyone to say that the Government did not conduct the negotiations about this purchase with absolute integrity. I was very keen to see this deal done properly and with absolute propriety.

The member for Nollamara is carrying on with a lot of nonsense. It is the State's money anyway. Does it matter whether an extra $200 000 or $300 000 was paid to BankWest from Treasury, or vice versa? The Treasurer owns BankWest and it is an asset of the State. Is the member's mind so small that he must dramatise a matter that is of no moment for the welfare of the State? Indeed, it will probably enhance the welfare of the State, because if there has been a positive benefit to BankWest, that will enhance its capital value if there is a public float. If the member wants to attack me for not being able to remember whether a heritage management and conservation plan has been

completed, I surrender. I repeat that a Minister would need to have the intellect of Einstein to remember everything that happens, and I apologise that I do not have that intellect.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Mr Lewis (Minister for Planning), and passed.

ORD RIVER HYDRO ENERGY PROJECT AGREEMENT BILL

Second Reading

Resumed from 3 November.

MR THOMAS (Cockburn) [11.50 am]: The Opposition does not oppose this Bill; it is in favour of a hydroelectricity scheme on the Ord River. However, the Opposition has very deep concerns about the way in which the Government has gone about this project. We will move an amendment during Committee which appears on page 10 of the Notice Paper and which seeks to have the Act not proclaimed until the Assembly is convinced that the agreement authorised by this Bill is in the best interests of the State. From what we know now we cannot come to that conclusion because the Government has not gone about this project openly and in accordance with the normal standards of accountability. Nonetheless, the Opposition is very much in favour of a hydroelectricity scheme on the Ord River to provide electricity to the local community and industries, especially the Argyle Diamonds mine.

When in government, the Opposition explored various avenues of developing a hydro scheme located in that area and a number of proposals were considered.

Mr C.J. Barnett: At the end of day, as with so many other projects, it never happened.

Mr THOMAS: The Minister is the man who makes things happen! That is obviously an image he likes to trade on and he is in the right place at the right time. I congratulate him for his achievements in those areas. However, sometimes his enthusiasm gets away from him and, as he has done here, he approves projects without observing the proper procedures. As I indicated, the Opposition is very pleased hydroelectricity will be used on the Ord River. One of the great problems the world faces in the long term is planning the energy economy. The fossil fuels we use are finite and have deleterious environmental impacts. If in our society we are to enjoy a quality of life which approximates in any way the one we now enjoy, sooner or later it will be necessary for us to develop environmentally friendly sources of energy.

One of the most environmentally friendly ways of producing energy is by hydroelectricity. It consumes no fuel, but it uses gravity and, therefore, does not incur the problems such as those associated with the burning of fossil fuels. It is a form of solar energy because it is the power of the sun which evaporates the water to create rain which, when accumulated in a dam, falls in such a way that it can be used to generate electricity. Hydroelectricity is probably one of the most environmentally benign ways of producing electricity. Unfortunately, the creation of electricity from hydro energy invariably involves construction of dams. Those projects in environmentally sensitive places, notwithstanding it is an environmentally friendly way of producing electricity, result in much opposition on conservation grounds. The dilemma is that very often they are the most hated projects because of the impact they have on surrounding land.

The attempt to build the Tasmanian dam on the Franklin River was one of the major political and legal events in the history of this country which influenced national politics and brought about litigation in the High Court. It changed the legal landscape of

Australia. There is certainly a significant, political and legal history to the question of hydroelectric power.

The Opposition is very pleased when a project such as this comes along because, as the Ord Dam already exists, it will cause no adverse environmental impact. If the proposal, as occurred in the late 1950s, were to build the Ord River project I have no doubt there would be many environmental and Aboriginal land concerns. However, they were not raised as a significant issue when that project was built. In fact, the water already falls from the main dam to the diversion dam in order that it can be used for irrigation purposes. If the energy can be harnessed to produce electricity along the way it is a win-win situation which everyone will welcome.

Mr C.J. Barnett: Some of those environmental and Aboriginal issues particularly would have been more acute under the alternative proposal to develop it at Bandicoot Bar. I do not know if you were familiar with it.

Mr THOMAS: I have read the briefing notes.

Mr C.J. Barnett: You can see why there would be some Aboriginal concerns there.

Mr THOMAS: I accept that and I am pleased an arrangement has been reached with Aboriginal people on that, which was the subject of a statement made by the Minister earlier this week. My point was, imagine if we now tried to build the Ord River project. The notion of obtaining environmental and Aboriginal approval of that magnitude now would be quite different from what it was in the 1950s. In any event, all of that is fairly marginal because we now have a project from which electricity can effectively be provided free because the water already falls from the main dam to the diversion dam to be used for irrigation. If the energy can be harnessed to generate electricity along the way, that will be of enormous benefit.

It will be of enormous benefit also because it will displace some of the least environmentally friendly electricity generation facilities in the State. Electricity for SECWA, at least in the east Kimberley, is generated by diesel. The 12 megawatt generating facility in Kununurra and the one in Wyndham, which I think is about 5 MW, use diesel fuel. That is wasteful and I find it quite obnoxious that liquid fuels are being used to generate electricity. They are a finite resource and can be used for higher purposes such as transportation. They are also among the more environmentally detrimental ways of generating electricity as evidenced by the pollution per unit of power. If those old clapped out diesels can be replaced by modern, environmentally clean hydroelectric generating facilities I am sure all people will welcome that.

I understand why the Government is pleased to have such a project. I understand why the Minister is enthusiastic in his support of the project. He is assured the Opposition shares his enthusiasm for a hydroelectricity generating scheme on the Ord to supply the east Kimberley area and particularly to supply not only the community, but also Argyle Diamonds because it displaces the diesel generating capacity at the mine and also the publicly owned SECWA resources in Kununurra and Wyndham. We hope that the ready availability of power in that area will encourage further development. I understand that the generating capacity which is to be installed is in the order of 40 MW.

Mr C.J. Barnett: Thirty megawatts.

Mr THOMAS: The capacity will ultimately be 40 MW, I understand. If that capacity were available, which is in excess of current demand, it would provide for future development in the area, which is something we encourage.

Mr C.J. Barnett: It is estimated that the capacity should be enough to service the area for 20 to 30 years. It is a long term thing.

Mr THOMAS: Yes. Therefore, the project will provide for the future development of agriculture and other industries in that area, which we welcome. The prospects for agriculture in that area are looking better now than they have in the past and that is all to the good.

There is no doubt that the Opposition is positive about this concept of hydroelectric

power on the Ord. However, it is not so enthusiastic about the Bill. This Bill authorises an agreement entered into between the Government and the Pacific Hydro group. However, the Opposition believes that it has been entered into in a way that outrages all of the proper standards of government decision making. For that reason, we will be moving an amendment in Committee. Notwithstanding our enthusiasm for hydroelectricity on the Ord, we will be very critical of the Government in debate on the Bill.

Mr C.J. Barnett: Whose project is it?

Mr THOMAS: What does the Minister mean?

Mr C.J. Barnett: Who owns it?

Mr THOMAS: It is owned by Pacific Hydro.

Dr Gallop: It will sell power to SECWA.

Mr C.J. Barnett: SECWA will be a customer.

Mr THOMAS: That is right; the Government will be a customer. Not only will it be a customer, but also it will provide significant resources for that project. It will earn rent on a valuable asset and the Government will confer a benefit on the proponents of this project, outraging all accepted standards. All accepted standards of propriety have been outraged. Let us walk our way through it. Eight months ago in this Chamber we debated the Government's decision to build a 300 MW power station at Collie.

Mr C.J. Barnett: You had to bring that up.

Mr THOMAS: I did. When we debated the Government's decision to build that 300 MW power station at Collie, a number of issues were raised. One of those issues was the way in which the Government selected the proponent to build the power station. There was another group in the business of building power stations.

Mr C.J. Barnett: We did not select it, you did.

Mr THOMAS: Not for that 300 MW power station; it was a different project. At the time the Government announced the decision in February, I think, another company in the field building power stations reckoned it could build the power station for $100m less or for a significant amount less. We said that that company should be given the opportunity to tender for the project or to submit a proposal. We said that the Government should not select just one group of people to put up a proposal. The Government said that the proposal already submitted looked all right. The Minister had had the State Energy Commission run a ruler over it and make a report. It came out that the Minister did not read the report. He had read the bottom line and said that it was okay. He then came to this House and recommended a project which was to cost $500m but which as it turned out will cost about $700m. A builder of a power station was selected without the Government going to tender.

We thought the Government had learnt from that experience. The Government could have said that that was an unusual situation because both of the contenders had been tendering for projects of one form or another in that area in the recent past. The Government could say that it had a good idea of what one company was capable of and that it was not necessary to waste everyone's time by going to tender again. We do not accept that argument, but it could have said that it was an unusual situation because the project was going from a 600 MW power station to a 300 MW power station and, because technical work had been done on a 600 MW power station, it could be halved for a 300 MW power station. That is not an argument that we would have accepted, but the Government could have defended itself by putting that argument.

For the second time in 12 months, this Government has come forward with a proposal to build an electricity generating facility without putting it out to tender. Last time, in relation to the 300 MW project at Collie it could say that there were unusual circumstances for its not going to tender. It could say that it knew the contenders well, and that it knew what they were capable of building and that it made its decision on that

basis. Twelve months later, however, it has come along in a completely different situation and indicated that it has not learnt a thing. The Minister said in his second reading speech that the Government was approached with a proposal by Pacific Hydro. It said to the State Energy Commission, "We will generate electricity for you cheaper than what you pay now with your diesels in Kununurra and Wyndham." Presumably, it went to Argyle Diamonds and put a similar proposition to it. That would not have been hard, because diesel generated electricity is very expensive in those remote areas and the offer would have been very attractive. Argyle Diamonds would have bargained to get the price down. However, provided it was lower than the cost of diesel generated electricity, one would have expected it to accept the offer.

When Pacific Hydro approached the Government, it was in a different position because it did not go along just to sell electricity. It also requires certain resources. It will have to buy water, location and land because the project will not work unless it has access to water, location and land for easements, roads and the like which are needed for the project to happen. Therefore, the project could not happen without the Government. The Government is in a different position from Argyle Diamonds because the Government has to confer a benefit on the proponents of the project. When it confers those benefits, it confers them on the proponents to the exclusion of anyone else. However, another company may have been able to put forward a better proposition. It may have been prepared to pay for water or offer a cheaper price for electricity. There could have been a better proposal put forward by the Government. We will never know.

Mr C.J. Barnett: Don't you think there is something to be said for the adage that a bird in the hand is worth two in the bush?

Mr THOMAS: There is.

Mr C.J. Barnett: You would have gone into a philosophical discussion for a further decade, and nothing would have been done.

Mr THOMAS: This Minister and this Government trade on the fact that they get things done.

Mr Lewis: That is true. I am glad you recognise it.

Mr THOMAS: I said that they trade on it. I can remember 10 years ago when we were in government and people said, "Isn't it great that we are associated with four-on-the-floor entrepreneurs? They are the ones who get things done; it's not the tired old money that does things".

Mr Lewis: Who were the four you picked? They are all in gaol.

Mr THOMAS: The Government should not get too enthusiastic. It should not overlook the process, because it exists for very good reasons. If a benefit is being conferred - this is almost a trite observation - on a private individual by government, the general rule is that it is done by some form of tender. Before I became a member of Parliament most of the cars I bought were ex-government cars. I bought them by auction or tender. There is a set process. People put in a tender and if the price submitted is the highest, they win the tender. More recently in the auctions, people have to bid against others.

Mr Bloffwitch: Or there is a reserve price and you meet the reserve price and you purchase the car. There are different options.

Mr THOMAS: The only cars I bought were through the tender or auction processes. That way the Government gets the best price. Why is the process observed? It is law that the Government must act in that way. It is an open tender process. It happens because the Government is conferring a benefit on an individual who is buying a vehicle. That is analogous to the situation with the Ord hydro scheme. The Government is conferring a benefit on the proponents of this project. The Minister went off on a tangent in question time and subsequently in the newspapers and said, "This is a private sector project; what business does the Government have to get involved in a tender?" The simple fact is that the Government is a very significant player in this project.

Mr C.J. Barnett: That is why we have an agreement Act before the Parliament, but it is

not a government project and there is nothing to tender. You might argue the toss, but it is not a government project.

Dr Gallop: What a ridiculous comment!

Mr C.J. Barnett: There was never a case of the Government going out saying, "We want a hydro power station; can someone build it?"

Mr THOMAS: The Government should have done that.

Mr C.J. Barnett: Fair go! This group has come in and said that it has a concept and it thinks it can make it work; that it can sell the electricity, probably to Argyle, and the Water Authority will make the money. We said, "You go away and show us how it will work commercially and we will facilitate it."

Mr THOMAS: We have learned a lot from the events of the past decade. The Government has learned nothing. A very significant benefit will be conferred by the Government because one organisation, the Pacific Hydro group, is being given exclusive access to the water, the land and the SECWA market for the generation of electricity. The very simple equation in this project involves two components: The price of the water and the price of electricity. We are told in the second reading speech that an agreement has been reached with the Western Australian Water Authority for payment of royalties for the use of the water. There are similar provisions in this agreement to protect other people who have interests in that water, namely the agriculturalists further downstream. There is a power purchase agreement with the State Energy Commission of Western Australia.

One cent per kilowatt hour can make someone a bankrupt or a very wealthy person. How was this done? How was it negotiated? What guarantee do we have that the best possible deal has been done for the people of Western Australia?

Mr C.J. Barnett: The current cost is 15¢; the cost of this is 8¢ to 9¢ per kilowatt hour. This represents a major saving in energy costs. It will save millions of dollars a year.

Mr THOMAS: The Minister has not been listening to what I have said.

Mr C.J. Barnett: You are not talking about a real project; you are talking about a hypothetical one.

Mr THOMAS: The difference between 9¢ and 10¢ is very significant for the proponent of this project. Someone else may have been able to come up with a better proposal.

Mr C.J. Barnett: And we would still have been talking about it in two years' time.

Mr THOMAS: I will give the Minister an example of the way things were done when we were in government, particularly in the latter stage when people had learned from some of the mistakes made earlier in the 1980s. I was the chairman of the committee managing the Coogee redevelopment. That committee was negotiating with one of the major landowners in that area to redevelop the land; the other landowner was the Government.

That person had put forward a proposal and the committee was very enthusiastic about it. We had negotiated an agreement. Treasury officers and others had been involved and the land had been valued. We thought our project represented the best interests of the State and the land would be redeveloped in a way that was to the benefit of everyone. The project had ownership. The Minister feels the same about this project. My committee put in a lot of work and felt very enthusiastic about it, and we wanted to see it happen.

When we put the proposition to the relevant Minister, the member for Kalgoorlie, the then Deputy Premier, he said, "I will not take this to Cabinet and recommend that it be approved until we have asked other people to see whether they have an interest; they might be able to put forward a better deal." I was enthusiastic about my project and did not want to see it held up for six months or whatever time the extra scrutiny would take. The then Deputy Premier was so concerned about it that he insisted that I do what he asked because he felt that someone else might have been able to come up with a better idea. I said to him, "Don't be silly. How can anyone else come up with a better idea;

because only one person owns the land and can, therefore, put forward a proposition to do a joint development with the adjoining landowner which happens to be the Government?" The then Deputy Premier said, "Someone else might be prepared to buy the land off the person who currently owns it and put up a better proposal. We cannot dispose of a major public asset, namely the half of the land at Coogee which is owned by the Government, and arrange for it to be used in any way that will confer a benefit on any individual without inviting other people to submit a proposal."

The project was advertised. The original proposal was accepted, and the present Government is trying to complete it. I was in the Dowding and Lawrence Cabinets and I am not aware of a private benefit being conferred on an individual in the way in which this one is, without other people being given the opportunity to put forward a proposal. In the example I gave, the other individual who owned half the land could have said that there were almost exclusive rights to deal with the Government to develop land. That individual could have argued against the fact that it would confer a benefit on a private individual, as was the case. Nevertheless, expressions of interest were invited. In this case, Pacific Hydro does not have an exclusive claim. It does not own the land or the water. It does not have a right to sell electricity to SECWA over and above anyone else. Everyone should have an opportunity to submit a proposal. This is no different from the Government selling vehicles by auction or tender or buying by tender. It should be open to everyone to submit a proposal because perhaps other people can submit a better proposal.

I have already said that the Government has not learnt from the events of the past decade. I spent last evening rereading part 2 of the report of the Royal Commission into Commercial Activities of Government and Other Matters, particularly chapter 3 on accountability. I do not know whether the Minister has read that chapter but he should. It addresses matters relevant to this consideration. It includes the role of government in commerce and how it should be involved. It talks about how the transactions of government should be accountable to the people; for the most part, they should be open and only in rare circumstances should they not be open. The open tender process exists for very good reason. It is almost trite to say it because it is so well established that the royal commission hardly needed to deal with the subject or to say that the Government should not sell public assets without going to tender. It is so obvious, but it needs to be said to the Government. The Government has disposed of major public assets which could be used as a resource base for the $70m project. They are significant assets. The Government has disposed of them without going to tender.

Why do we have a tender system? I return to the first principles because the Minister does not understand. The first reason for a tender process or auction process for disposal or acquisition of government assets is to make sure the Government obtains the best deal. The Minister says that it is an 8¢ or 9¢ a kilowatt deal - and that is great - especially as the electricity up there is currently generated from diesel. We are pleased about that because it will save money for the SEC. It will assist to service the new Electricity Corporation debt as from 1 January. However, how do we know this is the best deal? Someone else could have put forward a proposal of 7¢ or 8¢ a kilowatt hour. Someone could have offered a bit more for the right to use the water - and that is the essential resource base of the project.

That is one of the three reasons that we have a tender system. It is so that we allow people who have an interest in being in the business to bid competitively against each other, and to ensure that the public interest is served by the Government obtaining the best deal. We have no way of knowing whether the public has received the best deal because the Minister will not allow the project to be subject to scrutiny. He says that the proponents of the project put forward a concept. That is great. We should welcome the fact that entrepreneurial people have ideas and put forward concepts. However, they do not have the mortgage on bright ideas.

The project has been around for some time. In the early 1990s CRA commissioned the Snowy Mountains Engineering Corporation to do a feasibility study on the project and report back. Subsequently, the Water Authority purchased the intellectual property from

CRA. The Minister may not know the answer at this stage, but I would be interested to know whether the proponents of the project had access to the intellectual property now the property of the Water Authority. We would like to know if that is the case and, if it is, was the Water Authority paid for the property? The Water Authority certainly paid for that property. Other people are in the business of running hydroelectric power stations. The idea is not new. It may be that someone else could have come up with a project deal which better reflected the public interest by either paying more for the water or offering a better price to the State Energy Commission.

Mr C.J. Barnett: When the project was considered in the early 1990s, during your last years in government, did the project go to tender? During the period of your second coming when you had learnt from the events of the 1980s, did you go to tender in 1992 when CRA promoted the project?

Mr THOMAS: We did not have a project.

Mr C.J. Barnett: Did you go through a process of environmental approval?

Mr THOMAS: We did not have a project.

Mr C.J. Barnett: Why didn't the Minister responsible see it through?

Mr THOMAS: Ask him. He will participate in this debate later.

Mr C.J. Barnett: You said in a sanctimonious way, about 10 minutes ago, that you were reformed, but in 1992 you did not go to tender on the project!

Mr THOMAS: We did not have a project.

Mr C.J. Barnett: It is not a project now. It is a private project. As I said to the Leader of the Opposition, telling the truth is about what you say and what you do, and every time you fail absolutely.

Mr THOMAS: The Minister has no credibility.

Mr C.J. Barnett: Your Government had the chance in 1992 and it did not go to tender. In 1994 you ask why we did not go to tender. In 1992 you had environmental and Aboriginal approval, and the project was actively promoted by the member for Kalgoorlie.

Mr THOMAS: If we had had approval the project would have gone to tender.

Mr C.J. Barnett: You are hopeless!

Mr THOMAS: The Minister reminds me very much of the people who, in their enthusiasm in the early 1980s, embraced the four-on-the-floor entrepreneurs. The Minister is very enthusiastic about getting things done - I share his enthusiasm, and I understand it - but he is not observing due process. The Government cannot sell public assets without ensuring it receives the best price.

Mr C.J. Barnett: What has been sold?

Mr THOMAS: The water rights.

Mr C.J. Barnett: That has not been sold. It is a revenue stream for the use of the water. The dam has not been sold; the land has not been sold. They are public sector easements -

Mr THOMAS: An easement is property. The Minister should ask the lawyer sitting behind him. It is a property right.

Mr C.J. Barnett: It is an infrastructure project, and we have facilitated that - as the Government should.

Mr THOMAS: It is an exclusive right. Many people would like the right to supply SECWA a certain amount of electricity for 28 years, with a right to renew the supply for 14 years. That is not a bad deal, and many people would like the opportunity to be involved - if the price is right.

Mr C.J. Barnett: The SECWA deal is an incremental deal; 70 per cent of the electricity

goes to the Argyle Diamonds mine. It is a private project to supply electricity to Argyle; and on the margin the State gets cheap electricity.

Dr Gallop: Is it the cheapest?

Mr THOMAS: He does not know.

Mr C.J. Barnett: The Opposition's scenario is to say that maybe we can find someone in fairyland to do it 1¢ a kilowatt hour cheaper. Meanwhile, the Argyle project is held up - and we have only eight years' proven reserves. The project will be held up just because in five years we might find someone who can do it 1¢ a kilowatt hour cheaper. Meanwhile the Argyle deal would be finished. That is the reason that members opposite could not make a decision about Collie. Everything they touched failed - city properties, the Petrochemical Industries Co Ltd deal, and so on - and that is why members opposite were hopeless in government.

Mr THOMAS: I suggest that when he goes home tonight the Minister read part 2 of the royal commission report. It contains interesting first principles, the first being that there should be a tender system -

Mr House: Does it mention anything about the Swan Brewery deal?

Mr THOMAS: That was a competitive deal. Other people had the opportunity to bid and submit proposals. The Minister for Resources Development has sold a significant public asset because he has given exclusive rights to use water to generate electricity.

Several members interjected.

Mr House: I would like to say a lot, and I have done so in the past. However, I have not had to resign from Cabinet because I altered a Cabinet minute.

Mr THOMAS: Say it some other time.

Mr House: You can't get up here in a sanctimonious way and make statements like that.

Mr THOMAS: I will stand here and answer the member for Stirling in a sanctimonious way any time I like. If he wants to raise the matters to which he has alluded and talk about propriety, I am prepared to compare my propriety with his any day. One thing I have never been is a member of a Cabinet which has sold a significant public asset without going to tender. I keep saying this - I do not know whether the importance of it is dawning on government members: The Government has sold an asset which is the resource base of a $70m project without going to tender; without ensuring that the best price has been obtained for the State. That is one of the reasons we have a tender system - to ensure that people who might be interested in having the benefit of acquiring an asset conferred upon them are able to compete against each other to ensure that the State's best interests are represented. Another reason we have a tender system is to avoid corruption.

Mr House: That's not a subject you should talk about.

Mr THOMAS: I am happy to talk about corruption. It is a matter in which I am quite interested.

Mr C.J. Barnett: You've had an opportunity to observe it at close hand.

Mr House: The royal commission was interested in it, too.

Mr THOMAS: I suggest members opposite read the royal commission report. One of the reasons a tender system exists is to prevent corruption. Before a significant private benefit is conferred on an individual, it should be subject to open tender so as to prevent corruption. Who is to know whether the officials making the decision to confer that benefit are not being paid off on a side deal or are not favoured friends of the proponents, or that some other corrupt element is not involved in that decision? I do not raise the word corruption lightly in this debate, and I do not make the slightest suggestion that an element of corruption was involved in this decision. However, we have no way of knowing that. The guarantee is made in public decision making by the process being opened to other individuals - by invitation or expressions of interest, or by a tender or

auction system - that no possibility exists for a side payment or for people to be chosen because they are friends of the officials or members of a certain political party, or involved in some corrupt element. That is an important reason for the auction or tender system when conferring benefits on private individuals. In this case we would not know whether corruption exists. That is why I say without histrionics that this Government has not learnt the lessons of the last decade. For a different motivation and reason the Government is making the same mistakes. When a Government goes into a business deal to dispose of a public asset, it should be done on the basis that anyone who could conceivably have an interest in participating in that project can have the opportunity to do so to ensure that people are not chosen for corrupt reasons. That is one of the guarantees of the auction or tender system. In this case that guarantee has not been provided.

The other element of the tender or expressions of interest system is that it is open. The terms of the successful deal are available for everyone to see so that others who might have an interest are able to compare their submission against the one that was successful and be satisfied that the process was duly observed and was open, or transparent - a term which has become popular in some fields. The Government needs to ensure that the process is publicly accountable; that the public as well as the unsuccessful tenderers are able to satisfy themselves that the proper interests have been served.

In this case none of those proprieties has been observed. This Minister says in the second reading speech that the Government was approached by Pacific Hydro and Argyle Diamonds.

Mr C.J. Barnett: We were approached just by Pacific Hydro; not Argyle.

Mr THOMAS: The Government was approached by Pacific Hydro, which has a deal with Argyle. The Minister said that Pacific Hydro was able to offer a good price, so the Government decided to accept it.

Mr C.J. Barnett: That is not true. Pacific Hydro approached me about last December and sought my approval for it to approach SECWA and the Water Authority to negotiate an agreement. I was happy for it to negotiate with both entities on a commercial basis, which it did. I made it clear I would facilitate the project in terms of what had to happen.

Mr THOMAS: The Minister has made a decision which is essentially to sell a public asset.

Mr C.J. Barnett: No I haven't.

Mr THOMAS: It is selling a public asset. Pacific Hydro now has the right, to the exclusion of every other person on earth, to use that water to generate power.

Mr C.J. Barnett: It effectively becomes the utility for the area.

Mr THOMAS: It has the right as opposed to anyone else.

Mr C.J. Barnett: You can have only one utility.

Mr THOMAS: That is right. I am a clever fellow: I may be able to build a hydroelectric power station which is able to produce power cheaper than Pacific Hydro. For that reason I may be able to afford to pay the Water Authority more for its water, or I may be able to give SECWA a better deal. I should have the right to submit a price. However, I have not had an opportunity to do that because the Government has done a secret deal -

Mr C.J. Barnett: It is totally public.

Mr THOMAS: It came out into the open only after the Government did the deal. This Bill is before the House with the agreements and schedule in a standard format, but the Government has already done the deal. Pacific Hydro has done the deal with the Water Authority and SECWA, and the Government has done a deal to provide the legislative basis and access to the water -

Mr C.J. Barnett: As occurs in virtually all agreement Acts.

Mr THOMAS: That is right. However, in this instance where the Government is conferring this private benefit -

Mr C.J. Barnett: All agreement Acts confer a private benefit. You will struggle to find one that doesn't, including all the agreement Acts passed during your time in government.

Mr THOMAS: This is different.

Mr C.J. Barnett: No it isn't. You put through this Parliament an agreement Act for the Onslow Salt solar salt project to produce a particular resource at Onslow. Your Government conferred that on the company through an agreement Act, and we agreed with you. When Onslow Salt approached you with the proposal, did you go out to tender? No. You said it was a good project and you put it together in an agreement Act and brought it before the Parliament for the Opposition to support. This is a similar situation.

Mr Ripper: Does the State buy a lot of salt?

Mr C.J. Barnett: The public asset in that case was Crown land suitable for salt production. Here you are talking about a dam wall suitable for hydro power for electricity supply.

Mr THOMAS: The Minister is obfuscating by trying to draw a comparison with a mining project. Most of the agreement Acts facilitate mining projects. My colleague the member for Belmont drew attention to a difference; that is, the State does not buy much salt. One could elaborate and say that the State does not supply the salt water from which the salt comes, either.

Mr C.J. Barnett: The critical factor is the land, not the salt water.

Mr THOMAS: Propriety is guaranteed in access to public assets for mining projects under the Mining Act. Under the mining tenement system, people must meet their obligations to obtain a prospecting lease and then a mining lease. An agreement Act is considered only when the Mining Act tenures have been established. The propriety of obtaining a lease is guaranteed under the procedures of the Mining Act. Wardens Courts are available for people who think they have a better claim to the rights of that resource.

Mr C.J. Barnett: That is not true. Agreement Acts typically allocate land which invariably never goes out to tender. That is what agreement Acts have done under successive Governments over the past three decades.

Mr THOMAS: The Minister's enthusiasm for the project means he is not listening to my arguments. The Goldsworthy Act is the archetypal agreement Act. After the iron ore was discovered the company pegged the prospecting rights, prospected the area, proved up the resource and applied for a mining lease. After the lease was granted, it went to the Government and suggested an agreement Act to facilitate infrastructure such as a railway line and a port. The agreement facilitated the development of a resource to which the company had already gained access under the Mining Act. The agreement Act facilitates further development, not access to the resource.

Mr C.J. Barnett: The Goldsworthy agreement Act conferred the prime port location of Finucane Island on the company. That was not put out to tender.

Mr THOMAS: The trigger was the access to the resource.

Mr C.J. Barnett: The agreement Act deliberately conferred privilege. That is why we have development in this State.

Mr THOMAS: Agreement Acts confer privilege to develop resources obtained under processes regulated by procedures under the Mining Act. People have the opportunity to contest claims for access to those resources under those procedures. Once that is settled, and the lease is awarded, the agreement Act facilitates the construction of roads and the like. However, in this case the analogy breaks down because the access to the resource - namely, the capacity to put a turbine in a stream of water - is an exclusive right that the Government has given to one company. Someone else may have been able to do a better job of producing a project that could generate electricity at less cost, or that could afford to pay more for the water. We do not know. I cannot conceive of a situation which

could be more obviously open to a competition. It is a publicly owned resource; namely, the dam and the water it contains. The public is a significant part of the market, and after 1 January the Electricity Corporation will be the facilitator. The Government should have called expressions of interest.

Mr C.J. Barnett: It is not our right to call expressions of interest.

Mr THOMAS: The State owns the dam and the water. They are public assets. They are not owned by Argyle Diamonds or Pacific Hydro; they are the assets of the people of Western Australia, who are entitled to get the best price for their assets. The people of Western Australia will be universally pleased to know that electricity will be generated by hydro electric power on the Ord River, that we will no longer be burning oil, that the effect of greenhouse emissions will be ameliorated to some extent and that cheap electricity will be obtained. I understand the Minister's enthusiasm for the project; however, he has committed the cardinal sin of allocating the resource base of a $70m project without going to tender. Even though the project is fairly small in the overall scheme of the electricity grids of this State compared with the 300 MW power station at Collie, it is nonetheless a $70m project. The Minister has conferred a significant benefit - the capacity to engage in a $70m project - without going to tender.

To ensure that the State gets the best price, that the process is open, and that the public is satisfied that there is no suggestion of corruption, there should be a system of open tender. The Government has not done that. For that reason the Opposition will move an amendment during Committee that the Bill should not come into effect until after the House is satisfied that the agreement which has been entered into is in the best interests of the State.

Mr C.J. Barnett: Let us sit on our hands while the wet season washes down the river out of the Kimberley. You are an absolute joke.

Mr THOMAS: I do not want to sit on my hands. If six months ago the Minister had called expressions of interest, this could have been sorted out by now.

Mr C.J. Barnett: It took 12 months to negotiate contracts.

Mr THOMAS: What a perilous path the Minister is taking us down. In his enthusiasm to get things done, he is like some of his predecessors of 10 years ago who developed an enthusiasm for four-on-the-floor entrepreneurs who also got things done.

Mr C.J. Barnett: They were not our colleagues; they were yours.

Mr THOMAS: They got things done, but at what cost?

Mr C.J. Barnett: Laurie Connell wanted to help the Liberal Party and he was shown the door, effectively.

Mr THOMAS: It is all very well to be wise after the event, but one should learn from history. Those who do not learn from the lessons of history are deemed to repeat those mistakes. The Minister has not learnt that lesson.

Mr C.J. Barnett: The contribution of the Labor Party is to give us a test case of what not to do. That has been the only contribution from members opposite. We now have an historical record of bad government which is described in the royal commission report. That is the Labor Party's only contribution. Congratulations!

Mr THOMAS: I could argue the history of the past decade with the Minister. I could outline the many benefits, and also concede the mistakes that were made on many occasions because people were over enthusiastic about getting things done. They were convinced that certain people were able to facilitate their wishes.

Mr C.J. Barnett: That is why the former Premier and Deputy Premier are in gaol.

Mr THOMAS: Let us learn from those mistakes. The Minister has conferred a private benefit, the resource base of a $70m project, on a private company, without going to tender. The Minister would not sell a government car without putting it out to auction, because the process is important to ensure that the State gets the best price for the car and

there can be no suggestion of corruption or impropriety. That is why those processes exist. Certainly when one is involved in a project and is enthusiastic about it, and is convinced it is the best project, at the best price, and no-one can put forward a better proposal, it is frustrating to have to wait and call tenders. The Minister is saying, "We will not worry about due process. We will do a deal with these people." That is a perilous path that other people went down, and they no doubt rue that fact now. The Government has not learnt from their mistakes. Last night I reread part 2 of the report of the Royal Commission into Commercial Activities of Government and Other Matters looking for some inspiration for today's debate and virtually every page reiterated one message.

It is almost a trite observation to say that the Government should not dispose of public assets without putting them up for auction or for tender and calling for expressions of interest. The Opposition's proposed amendment will seek that the House exercise its responsibilities. The House must be satisfied that this deal is in the best interests of the State; in other words, a better project could not have been obtained. The Opposition will have to gain access to some reports.

Mr C.J. Barnett: Are you expressing a lack of confidence in the SECWA board?

Mr THOMAS: No, I am expressing a lack of confidence in the Minister.

Pacific Hydro must have seen the Minister coming and decided to put what it thought was a good idea to him; that is, the State Energy Commission of Western Australia would decide to buy electricity from it if it were cheaper than the cost of running the clapped out diesels at Kununurra and Wyndham. It would not find it hard to supply cheap electricity if it has access to the wherewithal - the right to use water and to build a power station on the dam wall. However, it is public property and it should not be disposed of without giving other people the opportunity to tender for it.

I am referring to not only the interests of the State, which is referred to in the amendment that will be debated in Committee, but also the opportunity for corruption. As I indicated earlier, I am not suggesting that corruption exists in this case. The Government would be well advised to ensure due process so there can be no suggestion of corruption, otherwise people will ask how they would know whether Pacific Hydro is a significant donor to the Liberal Party: It may or it may not be; we do not know.

Point of Order

Mr C.J. BARNETT: I resent the implication of the member's last comment that there was a suggestion of corruption and that Pacific Hydro might be a donor to the Liberal Party. The member missed the point that Charles MacKinnon was actually acting for Pacific Hydro. I thought the Opposition would use that information to try to create a big scandal. The behaviour of members opposite is outrageous.

Mr THOMAS: I said I was making no suggestion of corruption in this instance.

Mr C.J. Barnett: You threw it in - it is a typical grubby tactic.

Mr THOMAS: I said that I did not believe that there was corruption in this instance, but I also said that the Opposition has no way of knowing that and that is the reason the process of open tender and expressions of interest exist. Pacific Hydro may well be a donor to the Liberal Party; I do not know. The reason for tenders and options is to ensure that there is no improper influence on the decision making. The Government would be well advised to use those processes to protect its reputation.

The ACTING SPEAKER (Ms Warnock): Order! That is not a point of order. I am satisfied with the member for Cockburn's explanation and that is what I understood from what he said earlier, and it was in order.

Debate Resumed

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [12.53 pm]: Members have just heard a brilliant exposition of the nature of the tender process and how it is so important if a particular benefit is to be conferred upon a private body in relationship to a government asset. I thank the member for Cockburn for that exposition.

I will make a couple of preliminary points about the Ord River Hydro Energy Project Agreement Bill and the Minister's second reading speech. My first comment could be attributed to many second reading speeches presented by the Government. I will make the same point later today when this House debates the Medical Amendment Bill. In this second reading speech there is a paucity of information which makes it very difficult for the Parliament to reach a rational conclusion on the merits, or otherwise, of the proposition being put to it.

Mr Strickland: You must admit that when you were in government the same situation occurred.

Dr GALLOP: I suggest to the member for Scarborough that he read the second reading speech I gave to every Bill I have introduced to this House. I can assure him that I wrote all those speeches and made sure that the philosophy of the Bill and the general nature of the proposals being put forward were included in it so that, if it was subject to interpretation in the courts, there would be no misunderstanding of what was meant by the Bill. This afternoon the House will debate the Medical Amendment Bill and the Minister's second reading speech does not explain why two more doctors should be appointed to the medical board. It is incumbent upon the Government to explain why it is doing something through legislation. With this Bill it is incumbent on the Government to provide a full assessment of why it believes this project is in the interests of the State.

Mr C.J. Barnett: So you are against it?

Dr GALLOP: Not at all. The Opposition expects an assessment from the Government to assist it to make a rational decision. The two examples given by the member for Cockburn were the price of water and the price of electricity and how those prices impact upon the economics of the Water Authority of Western Australia and the State Energy Commission of Western Australia. It should be a crucial part of a Minister's second reading speech to indicate how a public benefit will be achieved from this agreement Bill and how that benefit can be illustrated by the price of water and electricity. However, there is no explanation at all in the Bill - in fact, there is not even a statement - on the price of water and electricity.

The member for Cockburn said that the Minister, in displaying his enthusiasm for this project, failed to acknowledge that over the past couple of years there has been a major rethink of the way politics should be conducted in this State. Of course, that has come about because of the royal commission's report. That report said that Western Australia's history has been characterised by the dominance of the executive arm of government. The Minister does not understand that very significant changes have occurred in people's thinking of politics in this State.

I will give him a small example of that change. When I was the Minister for Education I made an executive decision to close the Carmel school, which was attended by 14 students. I went through a particular process to reach that decision and I finally determined that it was in the public interest to close the school. The parents of the children who attended the school did not agree with me and they employed a QC to take me to the Supreme Court in an attempt to have my decision overruled. I sat in the Supreme Court for a couple of days and was in the witness box for a lengthy period. I was cross examined by the QC, who was none other than Michael Barker, who is well known to members of this Parliament, about the rationale and process I followed in reaching my decision. Justice Ipp, when he pronounced on the case in support of the Government and me, made it very clear that if I had not followed a process of consultation with members of the community, he may very well have ruled that it was improper for the Executive to close that school. In other words, the whole process of school closures is now subject to a judicial interpretation of what due process is in that area. This is happening repeatedly with ministerial decisions. Ministers are being taken through the court system because the courts, with their enthusiasm for the common law and the due process concepts which are part of that common law, are placing a restriction upon Executive power.

The analogy I generally like to draw with politics is that Executive decisions are subject

to not only common law in a strict legal sense, but also a very clear public expectation that was recorded in the royal commission - that is, it is not just the result of the decision that is important; it is the process that is followed to reach that decision. From the interjections of the Minister today it is apparent that his thought processes are locked into the 1960s and 1970s. He is telling the Parliament that it is the result that matters and not the process. In other words, he is telling the House that he is giving this State a project and for many years in Western Australian history those words have been echoed through this Parliament and in public debate. Times have changed and I will further illustrate how when debate on this Bill resumes.

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Continued on p 7165.]

Sitting suspended from 1.00 to 2.00 pm

[Questions without notice taken.]

MATTER OF PUBLIC INTEREST - CONTRACTS, GOVERNMENT WORK, GOVERNMENT FAILURE TO PROTECT TAXPAYERS' INTERESTS

THE SPEAKER (Mr Clarko): Today I received a letter from the Deputy Leader of the Opposition seeking to debate as a matter of public interest the Government's failure to protect the interests of taxpayers.

If sufficient members support the motion, I am prepared to allow it.

[At least five members rose in their places.]

The SPEAKER: In accordance with the standing orders, the matter will proceed on the usual basis; that is, half an hour will be allocated to each side of the House and three minutes to the Independent member, should she seek the call.

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [2.33 pm]: I move -

> That this House notes with grave concern the Government's failure to protect the interests of taxpayers by failing to observe proper processes in relation to contracting out of government work, leaving the way open for charges of favouritism and impropriety.

I begin my comments by referring to the attitude that the Government has taken to the second report of the Royal Commission into Commercial Activities of Government and Other Matters. The attitude of the Government can be best described as one of hostility. The reason for that hostility is clear; that is, the royal commissioners' proposed changes that would restrict the power of the executive arm of government in Western Australia, whoever occupied the Treasury benches, be it a conservative or Labor Government. The history of the Western Australian political system is characterised by the fact that whenever the Labor Party has been in government it has never been in power, but whenever a Liberal and National Party coalition has been in government it has also been in power because of the situation that applies in the upper House. So, the recommendations of the royal commission which would restrict the power of the executive arm of government, particularly in the way the upper House would be structured in our political system, were seen as a real threat to the conservative forces in Western Australia. As a result, not only have members opposite expressed their hostility towards the second report and the political reform processes that were recommended, but also some of that number have expressed hostility towards the royal commissioners themselves. Of course, I refer to the comments made by the Minister for Primary Industry.

We have that attitude in respect of the executive arm of government connected to which is the astonishing development in Western Australian politics in recent days. We have seen the real attitudes of the Government come to the surface through the comments made and actions taken by various Ministers. In a sense, those attitudes take us back to

Western Australia in the 1960s and 1970s. If we were to characterise politics in that period, three features would stand out: First, the dominance of the executive arm of government; second, the prevailing view within government that results are everything; and, third, the definition of a result by the single goal of economic growth statistics. That is the real essence of the Liberal philosophy within Western Australian politics. It is an extremely conservative philosophy, and it has certainly always been there.

The Liberal and National Parties went through the motions in the last couple of years in opposition in respect of the royal commission and the sorts of issues that were emerging in respect of accountability. We know now they were really only motions. No real commitment was made to the concept of accountability that the royal commission had laid down. So, we are back to the 1960s and 1970s with that attitude, but the Government has made a big mistake because during the 1960s, 1970s and 1980s there has been a significant change in the way that the public looks upon the political process, and upon the expectations the public has about the way the Government should conduct itself. We can characterise that change simply. We could talk about it in terms of the growing populism in the political process but, more accurately, we could argue that the concept which has traditionally been put forward strongly by academics and lawyers in our community, the concept of due process which used to be more of an academic, judicial-type issue, has become a mainstream political issue in Western Australia. The Government does not understand this because its political thinking is well and truly based in the 1960s and 1970s. The Government does not understand that between then and now, due process has become a mainstream political issue. The public expects Governments to conduct their affairs by due process. It expects Governments to meet the requirements of natural justice in the way that they conduct their affairs.

Let us look at the performance of the Government in this matter.

Mr C.J. Barnett: Which matter?

Dr GALLOP: The way the Government treats the contracting out of government work.

It has been revealed that the Government is not simply opposed to the theory of accountability that the royal commission outlined - and was so well described by the member for Cockburn earlier today - and the way we should structure our government system, but also members opposite practise government in the ignorance of the theory of accountability that the royal commission recommended for the Government and the Parliament of Western Australia. The failure to recognise the importance of changing practice means that we now face a serious situation in Western Australia. We know from the McCarrey report and government policy directions generally that over the next few years of this Government there will be increasing moves to contract out government services, both within the mainstream political arm of the Executive and within the departmental and statutory authority arm of the Government. We must be sure that that will be done properly so that no favours or privileges are given, the process is conducted properly, and the taxpayers get a fair return on their assets.

The Government is now sitting on a time bomb of its own making because it lacks the political will and the intellectual commitment to the standards of accountability that were laid down by the royal commission. That lack of political will and intellectual commitment, which is highlighted by the way its political thinking is anchored in the 1960s and 1970s, poses a real problem for the people of Western Australia. I will mention some of the examples which speakers to follow me will address.

A simple change of policy has occurred in ministerial offices with the contracting out of consultancies. Members of this Parliament might like to know that as a result of government policy the $50 000 threshold which applies in the Public Service generally for the application of the tender process has been changed for Ministers: Ministers do not have to go to tender for contracts up to $80 000. That will create the circumstances under which significant amounts of taxpayers' money can be put out to consultants by Ministers without tender. An amount of $80 000 in all the ministerial offices can add up to a significant amount of money. That is a matter of policy. I move to some of the departmental examples.

Last year the brochure dealing with the City of Perth restructuring went without tender to Scott Four Colour Print. This year the Water Authority gave the contract to deal with the marketing of its water restrictions to Controlled Marketing, without tender. That is something my colleague the member for Glendalough will speak about. Earlier today we discussed the Minister for Energy's decision to agree to a hydro power scheme in the east Kimberley without going to tender. How can we be sure that the price is the best we could have got? How can we be sure that this private advantage which is being distributed by the State through this state agreement is in the best interests of the public? We cannot be sure because it has not gone to tender.

We saw the process that occurred with the pathology services at Queen Elizabeth II Medical Centre when, as a result of questions asked in the media and raised in this Parliament, the Government had to backtrack because it was engaged in negotiations with Western Diagnostic Pathology, part of Australian Medical Enterprises Ltd and National Medical Enterprises in the United States, to set up a joint venture. None of that was laid down in the policy on pathology services that was presented by the Minister. It went on in secret; no-one knew about it. However, when we raised the issue in the Parliament the Government quickly back-peddled and said it would go to tender on that process.

I dread to think how many similar examples exist at the moment. I cannot get answers from the Minister for Health on how many services are being contracted out. He says he will not allow his officers to take up their time finding out. We are left with no political will in Western Australia on the royal commission's second report and its recommendations on accountability: There is no intellectual commitment to the concepts laid down, which we have an obligation to reflect on and support. Myriad examples have occurred where the Government has ignored the proper processes. Today we will present some examples of where it has decided not to go to tender. Bad ideas in government breed very bad habits. The bad habits are starting to develop.

Several members interjected.

Dr GALLOP: Do members opposite know what will happen? Those bad habits will become institutionalised because there is no check on the executive arm of government. Opposition members who follow me in this debate will illustrate that by more specific examples of the general points I have made.

MRS ROBERTS (Glendalough) [2.44 pm]: This Government has failed to protect the taxpayers' interests; it has failed to observe proper processes in the contracting of government work; and it has left the way open for charges of favouritism and impropriety. I will address three matters during this debate: Sewerage tenders, the fleet management tender, and the telephone contracts to Controlled Marketing. This Government has been about subterfuge and hidden agendas. Its public rhetoric is all about competitive tendering and the competitive contracting out of work. The rhetoric is about accountability, honesty, value for money and savings for taxpayers; however, it is a sham and a front. It contrasts dramatically with the reality.

People of Western Australia were conned in February 1993 if they thought they would get an open and accountable Government; if they thought for one moment that they would get a Government that would award contracts without fear of conflict of interest, corruption or favouritism. Taxpayers are paying more under this Government because of the way it has operated.

The first matters I will address are the sewerage tenders and the fleet management tender. The allegations come first with this Government. It alleges that government authorities are not competitive and that private contractors are cheaper and better. After the allegations come the denials. Government members deny that they want to cut public sector jobs; that hundreds of public sector jobs will be lost as a result of their privatisation moves; and that public sector agencies will not be able to compete fairly and win tenders. The Minister for Water Resources said that decisions on these tenders would be made on a commercial basis. I only wish they were.

In early July the Water Authority of Western Australia union was told that the tendering and contracting process would apply to the fleet management section of WAWA. Assurances were given from WAWA management that a tender would be prepared and submitted according to the competitive tendering and contracting guidelines. However, three days before the close of tender the Minister for Works announced that fleet management across government would be privatised. Then came more denials; workers were assured that WAWA would proceed with the tender process. The bottom line was that last week fleet management teams at WAWA were told that the in-house tender was more than competitive, but that the Government refused to allow the tender to be awarded to the Water Authority.

Government members interjected.

The SPEAKER: Order!

Point of Order

Mr RIPPER: Although the Leader of the House might like to occupy the seat he is in, he should not be interjecting from it.

The SPEAKER: We are not all pure. The member for Belmont is right. I think the Leader of the House has taken notice of that comment.

Debate Resumed

Mrs ROBERTS: Contrary to the denials, the rhetoric and the talk, this Government is interested not in efficiency and productivity, but cutting jobs and selling off public assets.

I turn next to the case of the Homeswest sewerage contracts in Hilton. The rhetoric was heard again: "Government moves to open public sector competition." The reality of this case is that the tender by WAWA for the Homeswest contract was $200 000 less than the next lowest tender. Why did the Government not accept that tender?

Mr Lewis interjected.

Mrs ROBERTS: The Minister for Housing will be interested that I have discovered three versions of an answer to this matter. The first was from the Minister for Housing who said that the question was whether the WAWA tender had taken into account everything a private contractor must, such as fuel tax, sales tax and payroll tax. He said that Cabinet had decided that WAWA and Homeswest should re-examine the bid. The result was that the bid was re-examined. WAWA was still the cheapest, but still it did not get the tender. The second version of this answer came from the Minister for Water Resources who said that because the Government had embarked on a $800m infill sewerage program it did not have the staffing resources to undertake this work.

The third version came from the Premier. The Premier said that it was the Government's intention to take the Water Authority out of the construction side of the business. Why had the other two Ministers been wasting taxpayers' money with subterfuge? Clearly the Water Authority had wasted time and money tendering. What has this to do with honesty, fairness or the best price? The answer is "nothing". The next issue is Controlled Marketing.

Several members interjected.

The SPEAKER: Order! There are repeated similar interjections; that is, that the member is reading her speech. From here I cannot tell whether she is reading her speech verbatim, but I suspect that she is not. She gives me the impression she is making other comments, but it is a practice in this House that members do not read a speech. I do not accuse the member for Glendalough of reading her speech. It is appropriate to remind all members that they are not to read their speeches, but extensive reference to notes has always been allowed.

Mrs ROBERTS: It seems that it is a constant retort by the Government to attempt to put members off what they are saying. It is important to be able to draw upon quotes which clearly demonstrate that three different members of the Government have given three different explanations. If I alleged that without quoting, the claim would be that I was

making it up; when I provide proof the Government says I am reading my speech. The Speaker has ruled that reference to notes is allowable.

The Minister for Water Resources must think the public is incredibly gullible if he expects us to believe that he did not know that Controlled Marketing was associated with Chilla Porter. It was only last December in debate in the Legislative Council on amendments to regulations for charitable collections that Controlled Marketing's involvement in charitable collections was highlighted. There were allegations, both in the Parliament and the media, that Chilla Porter had seen the Premier and Minister for Finance to get those regulations disallowed. It is a matter of record that Controlled Marketing has an involvement with Chilla Porter.

It is also fanciful to expect us to believe the Minister did not know that Controlled Marketing was working with the Water Authority. On 8 June in this Chamber the Minister said that WAWA had commissioned a consultant - namely, Controlled Marketing. It would further seem highly irregular if he did not approve the communication strategy for both the sewerage infill and water resource contracts. The facts are that the Water Authority on at least two occasions was caught short in not planning for events. It called in Controlled Marketing on both occasions at short notice. The first was for telephone inquiries for the infill sewerage works and the second was for telephone inquiries about water restrictions.

The report of the Auditor General of May this year highlighted examples of several purchases of similar items being made over an extended period and considered separately. The Auditor General stated that such purchases should have been put out to public tender. This kind of procedure is not on. The Minister for Water Resources told the House that he had berated the Water Authority, and that he was very angry. It is not the first time he has been caught out. Last December he was carpeted by the Premier for not calling quotes for a printing contract. I call upon the Minister for Water Resources to table the written instructions he sent to agencies within his control as a result of that first bungle last year. I also call on the Minister for Water Resources to outline what action he will take this time to ensure that such breaches of the tendering process do not occur again.

MRS HENDERSON (Thornlie) [2.57 pm]: We had the public spectacle about a week ago of the Minister for Health, appearing at a seminar on behalf of the Government to talk about the Royal Commission into Commercial Activities of Government and Other Matters and saying there is no real problem because members of his Government are all honest. He said that the Government did not have to make any changes, that the only problem during the 1980s was that the mob in power was dishonest. He said that his Government is different, so it does not have to make any of the changes that the royal commission recommended.

I will refer to a perfect example of how this Government is dishonest. It may be that the Minister for Health was not aware of this dishonesty, and that is a prime example of what the royal commission was concerned about. Soon after coming to power the Government appointed the McCarrey commission to report on government. We have previously talked about members of that body in this Chamber, and their links to the Liberal Party have been well and truly canvassed. One of the commissioners of that body was Mr Leonhardt who is a managing partner of Coopers and Lybrand. Leaders of the Labor Party in this Parliament have asked repeated questions of the Premier as to whether persons who had consulted for the McCarrey inquiry would have some restraints placed on them in contracting and tendering for work that subsequently arose out of the McCarrey report. Question after question was raised in this Parliament, and the Premier refused point blank to give any undertakings that those companies would not be able to use the inside information they had gained by sifting through the detailed records of government departments, to gain for themselves an additional benefit in tendering for privatisation, contracting out, or whatever was recommended in their report to McCarrey. That is the reason the Government has persistently refused to release to this House the reports of those consultants. Regardless of the fact that the McCarrey inquiry was paid for out of the public purse and that the taxpayers paid for those consultants' reports, this

Government refused to release those reports. In fact, the Government indicated that some of them had probably been destroyed. After all the self-righteous indignation about yellow slips, the Government indicated that some consultancy reports had been destroyed. Coopers and Lybrand was intimately involved in the McCarrey inquiry.

Among the recommendations for the Education Department was that as over 70 per cent of central office staff is currently involved in supporting payroll, financial, human resources and other corporate services, offering these services for competitive tendering or alternatively organising these services at a regional level would be more cost effective. In other words, McCarrey recommended that some of the functions carried out by the central office of the Education Department should be examined to see whether they should be contracted out. It is an amazing coincidence, that the group that has been given a consultancy to do just that - that is, to review and examine whether those functions of the Education Department should be contracted out - is Coopers and Lybrand. Was it put out to public tender? Was it advertised? Did Coopers and Lybrand compete with others? Was Coopers and Lybrand allowed to use the inside knowledge it gained from the McCarrey inquiry?

Mr Lewis: This is riveting.

Mrs HENDERSON: If the Minister does not think this is a serious matter, he is not worthy of the office he currently holds.

Mr Lewis: The member was a Minister in a discredited, corrupt Government, and she has the gall to talk as she is.

Mrs HENDERSON: It was about people being given inside running and being able to tender for contracts not in competition with others, which were added advantages that other people did not have. What did the government spokesperson say when he was asked a question on this issue? The Minister for Finance was asked the following question on ABC Radio about companies being allowed to tender as a result of the work done for McCarrey -

> What sort of restrictions will be placed on these companies when future deals come up whereby assets could be disposed of, where inside information or working knowledge of these instrumentalities could be seen as an advantage?

Exactly what happened with Coopers and Lybrand. The Minister for Finance replied to that question as follows -

> Off the top, I can't think of any of those problems . . ., we'd face it at the time. We could cope with those, we know the firm that's been looking at it at the time there.

That is a bit of gobbledegook speak; it does not mean much. He did not take the opportunity to say on behalf of the Government, "No, we will not allow those consultants to use their inside knowledge to gain an advantage in seeking to get tenders to carry out government work."

The contract for the Education Department states -

> The consultancy is to provide the following outcomes:
>
> > . . . identification of options for the outsourcing of functions currently provided by Central Office.

In other words it was contracting out things such as the preparation of the teachers' payroll, other functions of head office, the development of an action plan for outsourcing those functions most likely to yield savings, and recommendations on changes to central office which would produce savings and/or productivity in the long and short terms. That is exactly what Coopers and Lybrand recommended in the McCarrey report. It wrote its own terms of reference in the McCarrey report and now it gets the contract to carry out exactly what it recommended the Government should do. It is time this Government learnt something from the public money that was spent on the royal commission report. It is obvious it has learnt nothing.

MR KIERATH (Riverton - Minister for Services) [3.02 pm]: I have plenty of notes but I will not read from them like the member for Glendalough did from hers. I watched her and she hesitated over every word!

I will go through the whole procedure because it is important that members opposite learn something because they certainly did not learn anything when they were in government. I could refer to many examples where they corrupted the process, but they are well documented and a former Premier and Deputy Premier are in gaol - we know the standards adopted by members opposite and from where they are coming.

It is important that I explain to members the State Supply Commission's role in all of this. It was members opposite who introduced into this Parliament the legislation establishing the State Supply Commission. The policy is that goods or services valued up to $5 000 per line item can be purchased from a verbal quotation; for purchases between $5 000 and $50 000, written quotations shall be obtained; and for purchases exceeding $50 000, public tenders should be called. In spite of the policy, exemptions are granted. Under the Act exemptions are granted to agencies including the State Energy Commission of Western Australia, Westrail and the Water Authority of Western Australia. Two of the agencies members opposite have been pointing a finger at are exempt agencies. That is lesson No 1 for the Opposition.

Members on this side of the House have not said that all the systems are perfect. From time to time deficiencies are found in the system and people make mistakes. The difference between this Government and the previous Government is that the previous Government covered up its mistakes. This Government does not do that; it acknowledges them and tries to do something to fix them. I will quote from another document I have with me.

Mr Ripper: From your extensive notes?

Mr KIERATH: Yes, I do have extensive notes because I did not know from where the Opposition was coming with its motion. On 21 October this year I took a minute to Cabinet to improve the State Planning Commission Act. Some of the improvements are already in a Bill before the House. The notes I made state that the improvements would give the State Supply Commission the authority to oversee competitive tendering and contracting. They would also ensure that the State Supply Commission has a separate office, because if it is part of a department there is a conflict of interest, and they would give the commission an independent chairman to oversee it. More importantly, changes are proposed to the composition of the commission. The major feature of the improvements is that they will strengthen the commission's authority to oversee the supply of goods and services. Currently under the Act purchasing is statutorily devolved and some of the agencies are not happy about the proposed process, because the Act will allow discretion by the commission - if agencies breach the process the power can be taken from them. The amendments will ensure greater integrity in the process. That is an improvement the Government has made. The Government does not expect everything to be hunky dory; the process can be improved and legislation will be before this House before the end of the year.

The member for Victoria Park raised the issue of ministerial offices. I remind him that on 26 October he asked the Premier a question. The answer, which I drafted, was as follows -

> Following approval by the Premier, the person or company shall be engaged by the Minister's relevant host agency, with the Office of State Administration maintaining records of contracts. All such engagements shall be reported to Parliament in the relevant agency's annual report.

Is that not interesting? Ministerial appointments are made under contract and they will be reported to Parliament in the annual report. What did the Opposition do when it was in office? If I appoint an officer for the remainder of this Government's term on a salary of $120 000 a year, it would be ridiculous that I could not have a contract for $120 000. It does not make sense. When the Government included that provision to make the

process easier, it practised what it preached. It stands by the principles of accountability by reporting the appointments to Parliament. It does not hide behind these things or look after its mates. That debunks the member for Victoria Park's argument.

The member for Glendalough referred to vehicle fleet management and it is true that the Government made a decision to privatise two-thirds of the fleet. All the agencies wanted private fleet management and they offered a better proposition. The Government decided there should be some control over it and I and other members of the Government will be proud when two-thirds of that fleet is privatised. Members opposite should ask those members who use the privatised vehicles whether the service they get is better than before. It is far superior in almost every aspect. Anyone who says it is not does not know what he is talking about. It does not matter whether the fleet is privatised; it is the process that is of concern. Did the Government do a deal with one of its mates? It went out to public tender. This Government is accountable. Anyone in the business could have tendered for it and that applies to Labor Party supporters. The process is all about integrity.

Several members interjected.

Mr KIERATH: I do not think the Labor Party has many supporters, but it still has a few in the union movement.

The third issue related to the Education Department. The Opposition insinuated something was dodgy about it. I ask members to remember lesson number one on the $5 to $50 000 written quotations. The Education Department called for an expression of interest in accordance with State Supply Commission guidelines. Is that not interesting? At the time that was done it was believed the cost would not exceed $50 000. The Education Department, from its point of view, went for expressions of interest completely within the guidelines.

Several members interjected.

The SPEAKER: Order! I have experienced this myself: When one speaks on something and then sits down, someone else continues to speak from the other side and later on one finds it difficult to resist interjecting, because one has done a lot of homework on a subject and has a lot of ideas, to which the views coming from the other side do not always conform. All this encourages members to interject excessively. A couple of previous speakers are doing that. I do not think the Deputy Leader of the Opposition is doing so. He has interjected a couple of times, which I reckon to be reasonable enough, but there is too much interjection otherwise. I must take action against the other two members if they continue to interject repeatedly.

Mrs Roberts: May I be permitted to make a personal explanation?

The SPEAKER: Not at this stage. At a later stage the member for Glendalough may make a personal explanation.

Mr KIERATH: There were four expressions of interest. Obviously when four are received we set up evaluation panels. This one comprised a person from the Ministry of the Premier and Cabinet, Professor Gordon Stanley of the Education Policy and Coordination Bureau and John Williams from the State Supply Commission. The panel's unanimous decision was that Coopers and Lybrand put in the best submission. This is rule number one: They went through the right process and Coopers and Lybrand's submission was unanimously decided to be the best. There was a hitch. As I said before, when the department went to expressions of interest it believed the amount would be less than $50 000 and therefore it was within the guidelines. However, when the tenders came in, a submission was higher than $50 000. The poor old Opposition does not even know the legislation and policy it introduced. If a department does that and an expression of interest comes in high, it is able to go to the Supply Commission and have it looked into. I am advised that the evaluation panel took it to the Supply Commission and pointed this out. The Supply Commission said that tenders should be reopened but the panel argued that any further delays would cause unnecessary stress for the Education Department. A committee of 15 to 20 people from the Supply Commission, which

included the chairman of the commission, met and assessed the arguments put forward by the panel. It approved the deal. Under the authority given by the legislation it was entitled to do that, and it did so. In short, all proper processes were followed.

Opposition members are so keen to try to score cheap political points that they know no limits and will go to any lengths. They cannot stand the fact that when they were in government they did deals with their favoured mates. On the three issues the Opposition has raised today we have shown that not only were they conducted properly, but also publicly accountable processes were involved so that they are available for public scrutiny. I will sum up the case again. A policy for ministerial offices has been announced and publicised, and any appointments must be reported to Parliament. In the case of the fleet management all the processes have so far gone to public tender. The third issue in relation to education began this way and the Education Department followed the proper processes when it found out it exceeded those guidelines. It went back to the Supply Commission and was given the Supply Commission's authority and, what is more, its approval. We do not have anything to hide on this side of the Parliament - quite the opposite. That is what the Labor members of Parliament cannot stand. If it came to a test of propriety and integrity, they would fail on every single count; whereas if we were tested for our propriety and integrity, we would pass on every single count.

MR HOUSE (Stirling - Minister for Primary Industry) [3.16 pm]: This is a very interesting matter of public importance because it proves what a good job this Government is doing. The Opposition has sat around all week until this third day of the sitting and has not been able to come up with an MPI of any substance, so it has run in here with an MPI which really does not mean very much at all. It has conjured up something which is not a fact and has produced a debate without any facts, which has been very easily refuted in a couple of minutes. So confident is the Opposition of its argument that a moment ago half the frontbench left. A couple of them have come back to listen to what is left of the argument, but they deserted in droves and left the Deputy Leader of the Opposition on his own for most of the debate because they were so embarrassed. The Opposition brought this debate into the Parliament because it said it had a matter of substance, and the Deputy Leader said he would put forward an argument of substance. He did not, because he was unable to bring forth anything of substance.

Several members interjected.

The SPEAKER: Order!

Mr HOUSE: It is important when bringing a debate into this Parliament that it can be argued from a point of consistency. The debate was brought into the Parliament by the Deputy Leader of the Opposition, who at one time in this Parliament was a member of a select committee inquiring into the sale of the Midland saleyards. It is an interesting subject, because the then Government would not accept from the Opposition of the day an amendment when the royal commission was established that the subject should be part of its investigations. The then Government did not want that investigated. I must admit that because the then Opposition was keen to get the Bill through the Parliament and get the royal commission up and running, apart from making the point on the day, we did not pursue that matter absolutely in the Parliament. In hindsight we probably should have. The Deputy Leader of the Opposition was a member of that select committee, one of the terms of reference of which was to look at why the tenders for the sale of the property were not called on a proper basis. Members of this Parliament who have been here a little longer than some others will remember that tenders were not called at all. What did the Deputy Leader of the Opposition find when he tabled his report in this Parliament?

Dr Gallop: It was not my report.

Mr HOUSE: That is interesting. It was not his report and he had nothing to do with it!

Dr Gallop: Of course I did.

Mr HOUSE: Does the member stand by it?

Dr Gallop: I have not read it since.

Mr HOUSE: Does the member stand by just the evidence that is in it?

Dr Gallop: I know what you will read: You will read the tender.

Mr HOUSE: Does he stand by it?

Dr Gallop: A lot of water has gone under the bridge since then.

Mr HOUSE: So he might have been wrong.

Dr Gallop: Of course we might have been wrong.

Mr HOUSE: Perhaps the Deputy Leader of the Opposition should not have sold the Midland saleyards.

Dr Gallop: I did not sell the Midland saleyards.

Mr HOUSE: The then Government should not have sold them.

Dr Gallop: I do not know because I have not looked at the issue for many months.

Several members interjected.

Mr HOUSE: So the Deputy Leader of the Opposition tabled a report in this Parliament that he will not stand by. Is that not amazing?

Dr Gallop: It is not going to get you off the hook.

Mr HOUSE: He is back to the bad old days of the previous Government. He will say what suits him at the time but will not stand by it when the pressure goes on. It epitomises what he was like in government.

Dr Gallop: That is rubbish. Now you are an historian and not a politician.

Mr HOUSE: The Opposition has been creating a new image by saying, "It will all be different next time and we are very sorry for what we did, public of Western Australia. Trust us and we'll be right. Just vote us back into government."

Dr Gallop: That is your line. We have learned the lesson.

Mr HOUSE: The Leader of the Opposition apologised to the public the other day for WA Inc.

Dr Gallop: That is right.

Mr HOUSE: The Deputy Leader of the Opposition is saying it will all be different but he tells me that he cannot remember what he tabled in this Parliament.

Dr Gallop: Unlike you, we have learned the lesson.

Mr HOUSE: The report of the select committee, of which the Deputy Leader of the Opposition was part, tabled in this Parliament, found that it was not improper for the Government not to go to tender. I submit that this motion is a nonsense.

MR BLOFFWITCH (Geraldton) [3.20 pm]: I am absolutely amazed at the double standards of members opposite. We have just heard that the previous Government was right not to go to tender on the Midland saleyards. I will guarantee that the price was more than $50 000. How many tenders were called for the sale of the abattoirs to the brick company? What expressions of interest were called in relation to the Multiplex deal?

Occasions will arise when expressions of interest are not called, and I refer to one in my home town involving the local beach. An applicant made a proposal to the council for the establishment of a fun park. After six months the council agreed that the person could lease a portion of the beach and turn it into a fun park. The value of that rental figure is much higher than $50 000 a year but, because of the work that had been done, the expense incurred, and the expertise needed to put the deal together, expressions of interest were not called. It would not have been fair to advertise for other expressions of interest after the applicant had done so much work. Probably other people would have been interested at that stage. However, looking at the issue logically, if that occurred, how many people would be prepared to spend time and money on planning proposals of

that kind? The Minister for Energy said that there would always be people with proposals which are in the public or community interest, and the Government of the day makes a decision on those proposals. It is drawing a long bow to suggest impropriety in my view. I am astounded by people opposite. What expressions of interest were sought for the $450m extravaganza of the petrochemical plant? How many people in this State are given a hand-back $150m? I know how many - those in that secret little clique of the Labor Party.

Mrs Roberts: You have no defence for the allegations made today.

Mr BLOFFWITCH: The Minister went through them all and defended them. Members opposite have raised the issue of FleetWest. Of course the private sector will do the work cheaper and most members opposite do not understand that. The private sector has the advantage of depreciation. The State Government does not receive a tax concession because we do not pay tax.

Dr Gallop: Who is "we"?

Mr BLOFFWITCH: The Parliament of Western Australia or the consolidated fund. Private companies can depreciate the $28 000, $30 000 and $35 000 vehicles, and that amounts to many thousands of dollars. They factor that into their interest rate when they compete and make a bid. The Government is paying a flat rate of 6.5 per cent or 7.5 per cent, and people wonder how that can be done when the standard rate is 12 per cent. The private companies can do it because of the advantages they receive from being taxpayers.

I cannot understand the drivel from members opposite about the changes. They should understand some of the issues, why savings will be made and why the Government does such things. Perhaps when they criticise in future they will be a little better informed. All the costs have decreased and the service is excellent. It works well and I guess it is an example of the private sector working at its best, in the way it should. In the one case I heard of when the tender system was not used it was perfectly logical, bearing in mind the expertise and the benefits involved. What are the benefits to Western Australia in that deal? The SEC customers will pay a lower price for a commercial company putting the deal together. The issue raised today is a total nonsense, and we will put it to bed now.

MR C.J. BARNETT (Cottesloe - Leader of the House) [3.26 pm]: It is quite remarkable. Sitting opposite are the self-appointed champions of morality and accountability in government. Whom did the Opposition appoint from its own numbers? The member for Fremantle was appointed Leader of the Opposition. Yesterday we spoke of the Swan Brewery deal and I will not go through that again. We have heard speeches today about the Ord River project, accountability and the tender processes. I remind members of the performance of the Leader of the Opposition, a prominent person in the community, not years ago in the distant 1980s, but in 1992. On 11 May 1992 companies were formally invited to submit brief proposals outlining their plans for a project connected with the old Swan Brewery. They were told that it need not be a detailed proposal, but it needed to indicate their plans for use of the land and buildings. They were invited to submit their proposals by 22 May 1992. The companies were effectively given eight working days in which to make a proposal for a major project. By sheer magic, less than three weeks later the Leader of the Opposition on 4 June made it clear in this House that the Government was on the verge of finalising a deal. Even the name of the company was mentioned - Multiplex Constructions Pty Ltd. A few days later proposals were released and announcements made in *The West Australian*. It was a complete and utter sham and it happened not in 1980 or 1985, but in 1992.

The other self-appointed champion of accountability, the member for Victoria Park, is the chosen Deputy Leader of the Opposition. The Acting Leader of the National Party said that it was not necessary to go too far back in his history in relation to his chance to be accountable. When did he have the chance to stand up and be counted?

Dr Gallop interjected.

The SPEAKER: Order!

Mr C.J. BARNETT: It was during the Midland saleyards affairs. This champion of accountability could not be seen for dust!

Dr Gallop interjected.

The SPEAKER: Order! I made a mistake a little while ago because I praised the Deputy Leader of the Opposition for not interjecting too much. I may have to withdraw those words, but I call on him to reduce or, preferably, cease his interjections.

Mr C.J. BARNETT: It is not necessary to go back to the 1980s to look at the performance of the chosen two in the self-appointed high moral group in the community, the Leader of the Opposition and the Deputy Leader of the Opposition. We can look at their performance in the early 1990s. They failed by streets. Members opposite have been going on and on today asking why the Government did not call for tenders on the Ord River hydro energy project. I remind them of the last few months of the previous Government's term in 1992 when CRA, the owner of the Argyle Diamonds project - in good faith, and I support the company - had a proposal to develop an Ord hydro power scheme because it needed power for its mine, and its diesel operation was very expensive. It went to the Minister for State Development, negotiations took place - exactly what has happened in my case - and environmental and Aboriginal heritage approvals were granted, but at the end of the day it decided not to go ahead with the project because it did not meet its financial criteria. Where were the self-appointed champions of morality in 1992? Did they go to tender? Did they not learn the lessons of the 1980s on the select committee and on the old Swan Brewery project? Members opposite say today, "Yes, we did wrong, but that was in the 1980s. We are cleanskins now." Members opposite are just as rotten now as they were then. They have not changed at all. This motion is an absolute joke. Members opposite cannot cope with the fact that we have good government and honest Ministers who act for the benefit of Western Australia. We need not go back to the 1980s. We need go back only to the last year of the Labor Government to see the grubby deals in which members opposite were engaged.

MR RIPPER (Belmont) [3.31 pm]: What a pathetic defence from the Government: Do not worry about the royal commission; do not worry about what we have done; trust us! The Government's only defence is to go back a decade or more and throw some mud at us. This Government should be prepared to defend its actions. We heard a pathetic defence from the Minister for Services, who said, "Does not the Opposition know that some agencies are exempt?", as if that solved the problem. They might be exempt from the Minister's purview, but they are not exempt from the rules. Let us look at the Water Authority. It is a pity the Minister for Water Resources is not here because some of these examples relate to his agency. The Water Authority was nobbled not once but twice in tendering for the Homeswest sewerage contract in Hilton. It was nobbled again in tendering for the fleet management of its own vehicles, despite this answer from the Minister for Water Resources to a question asked in this place on Tuesday, 9 August -

> Vehicle tendering has been advertised. Expressions of interest will be considered by the Water Authority and the lowest will be accepted.

That has not happened. Workers in the Water Authority and their union tell us that their tender was the lowest and most competitive, but this Government prevented them from succeeding in that tender. Therefore, the assurance that the Minister for Water Resources gave to this House about proper processes has been dishonoured, and again the Minister for Water Resources and his agency have not adhered to the guidelines which the Minister for Services knows apply even to exempt agencies. The Water Authority awarded a contract to Controlled Marketing without seeking quotes. This is not the first time the Minister for Water Resources and his agency have done that. The Minister said last time that it would not happen again, but it has happened again.

The Attorney General awarded a contract of $33 000 to Freehill Hollingdale and Page to provide legal advice on the prison officers' agreement. Were quotes sought before that contract was awarded? Was that contract awarded in accordance with the guidelines for the provision of services to the Government? Did the Attorney General receive any

advice on the propriety of that arrangement before she went ahead with the contract? The Government should deal with these issues, rather than come to this place and say, in an arrogant and self-satisfied way, "Look at what you did! Trust us. We are all right." It will not wash.

Question put and a division taken with the following result -

Ayes (18)		
Mr M. Barnett	Mr Graham	Mr Ripper
Mr Brown	Mrs Henderson	Mrs Roberts
Mr Catania	Mr Kobelke	Mr D.L. Smith
Mr Cunningham	Mr Marlborough	Ms Warnock
Dr Edwards	Mr McGinty	Dr Watson
Dr Gallop	Mr Riebeling	Mr Leahy *(Teller)*

Noes (24)		
Mr C.J. Barnett	Dr Hames	Mr Osborne
Mr Blaikie	Mr House	Mrs Parker
Mr Board	Mr Johnson	Mr Pendal
Mr Bradshaw	Mr Lewis	Mr Prince
Dr Constable	Mr Marshall	Mr W. Smith
Mr Court	Mr McNee	Mr Tubby
Mr Day	Mr Minson	Mr Wiese
Mrs Edwardes	Mr Nicholls	Mr Bloffwitch *(Teller)*

Pairs	
Mr Grill	Mr Shave
Mr Taylor	Mr Cowan
Mrs Hallahan	Mr Kierath
Mr Bridge	Mrs van de Klashorst

Question thus negatived.

ORD RIVER HYDRO ENERGY PROJECT AGREEMENT BILL

Second Reading

Resumed from an earlier stage of the sitting.

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [3.38 pm]: The Government has not justified the Ord River hydro scheme with sufficient analysis and information. It is important when a major project like this comes to the Parliament for its approval that the Government provide to the Parliament as much information as it can so that the Parliament can make a considered decision on the issue. In this case, we have simply had described to us the broad parameters of this project. It is incumbent upon the Minister either now or during Committee to indicate to the Parliament why this private project is in the public interest. On the surface the project offers clear benefits to the State, but we need to know the details of the analysis that went into reaching that conclusion.

The second question I raise with the Minister relates to the relationship between his own office and the conduct of negotiations for this power station, and the Water Authority of Western Australia and the State Energy Commission of Western Australia. Obviously the Minister is responsible for resources development and it is the traditional role of the resources development Minister to deal with state agreement Acts and to coordinate within government major projects such as this. However, the key issue is whether the deal is in the interests of the Water Authority of Western Australia and the State Energy Commission. If it is in the interests of both those bodies, surely two conditions must be met and the Minister should show this Parliament how those conditions are met. The first is a procedural condition and the second is a content consideration. I refer first to the procedural condition. The Minister must ensure that the Water Authority subjected this deal to an analysis, compared it with all other alternatives available to it and

concluded that it was the best possible deal for the Water Authority. It should have done that with the approval of the Water Authority board itself. No reference has so far been given in this debate to the Water Authority's having given that analysis and recommendation to the Government.

Secondly, perhaps more importantly, I turn to the State Energy Commission of Western Australia. It will purchase 12 megawatts of power, I think, from this project. In view of the new legislation to set up the Electricity Corporation and the philosophy this Minister and the former Government propounded on the State Energy Commission, the SECWA board should have had its officers analyse that tariff and what it will mean for SECWA's energy system in the east Kimberley region, and determine whether it will achieve the best result for it as an energy commission. We are not simply dealing with the tariff, but also with the terms and conditions under which the power will be delivered to the east Kimberley.

Currently, the east Kimberley is supplied by the 12 MW diesel power station at Kununurra and the old diesel station at Wyndham. The availability and distribution of power through that region is a major responsibility for SECWA. Therefore, it is very important we know that SECWA subjected this deal to its own analysis and was satisfied that it met its operating and financial conditions.

To recap for the Minister, who has just come into the House: I am disappointed that in this Bill and in the Minister's second reading speech, he has not indicated what consideration was given by the Water Authority, who made that consideration and whether it was subject to board recommendation. In addition, no indication has been given that the SECWA board undertook its own analysis of the energy tariff and the terms and conditions of the supply of power or whether it made a recommendation for approval. It is important that the Minister indicate to the House whether those two bodies were involved in the analysis and what conclusions they reached. It should have been done in the second reading speech.

The second issue is the content consideration. When we consider the content considerations of the Water Authority and SECWA, it is possible that from their individual points of view this project will not be the best. However, that does not necessarily mean it is not in the State's interest because the State's interest is not equal to either the Water Authority or SECWA. What is missing from the Minister's second reading speech, and indeed from the material he has presented to Parliament on this matter, is the analysis the Department of Resources Development would have undertaken on this project and what overall benefit to the public was revealed by that analysis. It is disappointing that the Minister did not take the opportunity to present that analysis to the Parliament. We have a simple description of the project, a simple indication of its size, the construction costs and the employment it will create, but no systematic analysis of state benefit.

Mr C.J. Barnett: If you want to do a cost benefit, it is all benefit.

Dr GALLOP: It is fine for the Minister to say that, but if it is such a good project, he should present to this Parliament that cost benefit analysis. I know, and the Minister will certainly know, that the Department of Resources Development has sophisticated models, one of which it used on the goldfields gas pipeline project. I think it is an input-output analysis, where he can put in the numbers and get out the results, which he can show the Parliament. That should have been done and it is very disappointing that the Minister has chosen not to give us that information when considering this Bill.

The Opposition expected the Government to make available much more information than it has on the processes followed, in view of the overall public interest in this state agreement. This leads us to the problem raised by the member for Cockburn, which relates to the points I have been making. No-one can be certain that the best outcomes will be reached unless we can be assured that the processes were followed properly and that a cost benefit analysis was done to indicate that this project would bring the maximum return to the State compared with all other alternatives.

Two public aspects of this project can be considered: The first is the project itself. The member for Cockburn dealt with this when he indicated that private developers approached the Government with an idea on how to generate power. They asked the Government to approve that development through a state agreement and advised that they would need to purchase water from the Government and sell power to it as part of that package. The member for Cockburn, in a sophisticated way, put the proposition that it would have been appropriate for the Government to put that concept to the marketplace. The Minister, by interjection, did not respond to the points made by the member for Cockburn; he simply said it was a good project and asked why we would knock it back. It is now incumbent on the Minister to develop a more sophisticated response to the points raised by the member for Cockburn.

Let me narrow the argument down by asking the Minister for Resources Development to put on his Minister for Energy hat and consider energy in the east Kimberley region; more specifically, electricity generation and distribution in the east Kimberley region. It is incumbent on the Minister to demonstrate to the House that the proposal he has accepted for the generation and distribution of energy by one private utility in that region represents the best possible deal for the State. We know already that different concepts have been put forward in the past for providing energy in the east Kimberley region. One of those is the current system - diesel generation. Of course, that system could be preserved and extended by putting in a transmission line connecting Kununurra and Wyndham. The great disadvantage of that is the price of getting diesel to the east Kimberley, the environmental cost in greenhouse gases of using diesel, the problems associated with having a diesel station in Kununurra with the noise and other amenity factors involved. A second alternative that has been put forward from time to time is an electricity grid in that area, with power supplied from a gas supply which is close at hand in the Northern Territory. A third proposal is the use of the main dam for a 40 megawatt power station, surplus power from which could come through to the grid; in a sense, it is a version of the proposal before us today. The fourth proposal that has been put forward from time to time is a smaller proposal; that is, to use the irrigation diversion dam, to generate about 12 MW of hydroelectric power and distribute that power through the east Kimberley, but primarily to Kununurra. The Water Authority and the State Energy Commission, both government bodies, have looked at the possibility of that 12 MW of power from the diversion dam. No agreements were reached and no proposal had come to the Government on that matter. Nevertheless, it was looking at it as a possibility. I understand that a lot of work was done by the State Energy Commission and the Water Authority on the economics and technical aspects of that proposal.

Therefore, over time, those proposals have been considered. As I said, the diesel stations could be left in place and the transmission line could be extended through the east Kimberley; gas power generation could be used to supply power to the area; a major project at the main dam could be developed - this is a version of that; or 12 MW could be generated by a hydroelectricity project based at the diversion dam. Money has been spent by the State Energy Commission, the Water Authority and CRA. Money has also been spent in the past by certain gas interests which looked at the possibility of supplying power to the east Kimberley. More than one idea has been put forward for that purpose. Therefore, forgetting about the broader issues that were raised by the member for Cockburn and narrowing the proposal to the provision of electricity to the east Kimberley, it would be possible for the Minister for Energy to tell the State Energy Commission, "Look, we have had all these various ideas to provide electricity to our consumers in that area; why not test the market on all of those ideas and see what would be the best possible project from the SEC's point of view?" That may have been done through SECWA's analysis of the equation, and the conclusion reached that this was the best project of the four that surfaced in the past. However, the difficulty is that if the Government does not go to tender, it will never know.

It is also incumbent upon the Minister, now that he has chosen to not go to tender, to indicate to the Parliament the nature of the analysis that led him to conclude on behalf of the State Energy Commission that this was the best possible alternative available to recommend to this Parliament.

Mr C.J. Barnett: That is incorrect. I did not conclude that this was the best alternative.

Dr GALLOP: The Minister brought it to the Parliament as such. It is incumbent upon him to show us the analysis which led him to conclude that this was the best possible proposal for the State. All he has said is that it is a good thing. We all know it is a good thing. The member for Cockburn has indicated that it is a good thing. I agree it is a good thing. The question is: Is it the best thing that is available to us for the supply of electricity to the east Kimberley? Unless the Minister brings to the Parliament the analysis that guided him to that conclusion, it is difficult for us on this side of the House in the absence of a tender process to be confident that that will be the result.

I return to that which I said at the beginning. The Government has made a mistake in handling these proposals. I have been in government and other members on this side of the House have been in government. We understand what it is like to want to produce results. We also understand what it is like to have executive power. We understand the enthusiasm that comes with the desire to create a project. However, a change has been made to the political process, which is reflected in the public attitude to government and in the royal commission's second report. The change is this: No matter how enthusiastic or tempted we are by the use of executive power, we should subject ourselves to the discipline of due process.

That discipline which the public and the royal commission wants to impose on Executive Government in this State is now a mainstream political issue. It does not involve only a couple of academics or a few lawyers; it is a mainstream political issue. It is no longer possible for Governments to come into the Parliament and say that they have a you-beaut project, let us get on with it. The public wants to know about the process followed in reaching the conclusion that it is the best result. It wants to know the methodology used in reaching that conclusion and it has to be satisfied that that process and that methodology led to the conclusion that it is not only a good project but also that it is in the State's interests.

As a result of the comments that have been made by the member for Cockburn and me, the Minister should reveal to the Parliament, firstly, the process, secondly, the methodology, and thirdly, the conclusions that led him to believe that this was the best possible deal for power generation and distribution to the people in the east Kimberley. If he cannot demonstrate that, he has not met the test the public and the royal commission have placed upon us as members of Parliament and as potential members of an Executive in the duties that we must perform.

MR C.J. BARNETT (Cottesloe - Minister for Resources Development) [4.00 pm]: In situations like this it is conventional for the responsible Minister to thank the members opposite for their support of the Bill. Although the member for Cockburn and the Deputy Leader of the Opposition indicated that they supported the project, they have done nothing but carp and criticise everything about it for the past two hours. That is very much Claytons support, but I take it that they believe in development; they want renewable energy; they want to see employment; and they want to see energy available to all people. If the speeches delivered by those members had been made in Kununurra, they would have been chased out of town. The people in town who now hear a clapped-out, diesel power station banging away 24 hours a day are over the moon that they will get a hydroelectric power station that will not make a whisper, that is located up the hill away from the town, and that they will have a reliable power supply.

The Wyndham power station, which is currently operated from the old meatworks, is an environmental disaster. It has exposed asbestos all around it. Even the workers in Wyndham are cheering because they have waited for the day when they can get a reliable electricity supply. It has been a dream for 30 years that the Ord River water would be used not only for irrigation but also for power generation. I accept that the role of the Opposition is to scrutinise Bills.

Dr Gallop: That is exactly we are doing.

Mr C.J. BARNETT: I have been accused by those opposite today of being

overenthusiastic. I wish they could show a little enthusiasm about such an important development to the State. If my greatest crime as a Minister is that I have been overenthusiastic, I will sleep well at night.

Mr Thomas: You are misrepresenting the whole political context of the way in which we are working.

Mr C.J. BARNETT: Perhaps I am too simple to do that. However, I remind members of some details of the project.

Dr Gallop: We want information.

Mr C.J. BARNETT: I will give that information. The Premier and I, on behalf of the State, signed an agreement with the consortium on 26 October for the Ord River project, following 12 months of negotiations. They included power purchase agreements with the consortium and Argyle Diamonds and with SECWA. The proposal was scrutinised and approved by the SECWA board. I have no reason to doubt that the water supply agreement was scrutinised in a similar way and approved by the board of the Water Authority of Western Australia. It would have been done impeccably, as was the case within SECWA.

The importance of the legislation is not just the project. My enthusiasm, of which I am clearly guilty, is partly because I want to see the dream of the Ord realised, as does the Premier and the Minister for Primary Industry. There are many reasons for our enthusiasm. Currently CSR Limited is building a sugar refinery. After 30 years we are seeing a sugar refinery and a hydro power station. The Minister for Lands is finally opening up development land for irrigation. Negotiations are ongoing with the local Aboriginal community and with the Northern Territory Government. All of these things fit together to realise in the 1990s what people dreamed about for the Ord scheme in the 1960s. This hydro scheme will provide power for 6 000 people in the east Kimberley region and avoid the use of 60 million litres of fuel per annum by SECWA, a major environmental improvement and a major application of renewable energy.

Members opposite mentioned advantages, analyses and whether a cent here or there would make a difference. SECWA is a customer. It costs SECWA 15¢ a unit to produce electricity from the Kununurra power station. SECWA was offered a renewable long term power supply, in larger volume if needed, at a cost between 8¢ and 9¢ a kilowatt. It took the cheaper option. It knew it had an environmental problem with its current power station and that it would have to rebuild a diesel power station or find some other solution as the Ord River scheme expanded. As a customer, SECWA is happy to get a better, significantly cheaper product, which will avoid the capital expenditure.

Settlement has been reached with the Miriunwong and Gajerrong communities - as was reported on the weekend - and those Aboriginal people are happy. The Water Authority is happy; it will derive about $1m a year in revenues from the rights for using the water and will see its initial hydro planning realised. The project consortium is happy; it has a project which will be profitable. SECWA is happy; it will get cheaper electricity. The people of the Kimberley are happy. The growers and the future growers in the Ord River are happy. CSR Limited is happy. The people who support renewable energy are happy. Who are the only people who are not happy? It is the Opposition members.

This is the largest application of renewable energy in this State. For the scientists in the Chamber, it achieves energy efficiency of 90 per cent, which is very high, far higher than the 28 per cent to 35 per cent energy efficiencies of conventional coal, or even gas, power stations. It is a very attractive project.

The savings to SECWA are between $2.5m and $3m in fuel costs annually. That is a major saving. We may have been able to play around with the project for years and found greater savings; but given the problems faced by SECWA in that region, to have a reliable supply, avoid capital costs and make substantial savings on its current expenditure, it is little wonder the SECWA board was happy to recommend the project.

In the debate much comment has focused on the idea of a tender process. Why did we not go to tender? Let us pretend for a moment that government is not involved and let us

look at it commercially. There was a short term window of opportunity for this project, a sense of urgency. The principal commercial relationship for the project is between the consortium and Argyle Diamonds. Of all the power generated, 70 per cent will be for the Argyle Diamonds mine. SECWA will purchase the marginal 30 per cent that Argyle does not need. The major commercial contract is between the proponent - the consortium - and Argyle Diamonds. SECWA is a customer for the rest.

The major customer had a limited time window. The current open-cut operations are projected to continue for about seven or eight years. The mine no doubt will go into an underground development phase after that. That decision is yet to be made. Argyle Diamonds had to decide on an open-cut operation which could last for only another seven or eight years. If a decision were not made this year before the wet season, a judgment would have had to be made about whether the decision to go ahead with the project could be justified for the remaining five or six years. Had this project not been finalised before the wet season, the project would never have happened - or not in the near future. It may have happened at such time as Argyle Diamonds decided to go ahead with the underground mining, but there would have been a long time profile ahead of the commencement of that project. In reality there was a limited window of opportunity.

Why go to tender? I ask a rhetorical question: What was there to tender? It is not a government project. SECWA did not at any stage say, "Can someone build a hydro power scheme for us on the main dam of the Ord River?" That much electricity was not needed. There is no way that SECWA now - it may be able to in the future - can use 30 or 40 megawatts of power. The Government, through SECWA, was not in the market for a power station of that scale. There was nothing to go to tender for. I could not have gone to the marketplace and said that someone should build a 30 or 40 MW power station. We did not need, and could not use, that much power.

Mr Thomas: Of course you could.

Mr C.J. BARNETT: I would have been putting out a tender for a project that we did not want. That argument is totally illogical. I will follow the line of argument to the grubby end. The next point raised by the member for Cockburn was that because we did not have a mickey mouse tender - that is what it would have been; no-one would have taken it seriously and it would have destroyed the project - no-one else had an opportunity, and everyone else was cut out of the game.

Let us look at the history of the project: The Ord River Dam was built in the early 1960s. It was designed with the foresight of the engineers so that a hydroelectric scheme could be established in future. People thought that would occur a lot earlier than 1994. In 1976 SECWA undertook an examination of a hydroelectric scheme. In 1979 SECWA and the Northern Territory Electricity Commission carried out a joint study on the scheme. In 1982 Argyle Diamonds funded a $750 000 study by SECWA and the Snowy Mountains Engineering Corporation. In 1986 Argyle Diamonds funded a further study undertaken by Merz Australia Pty Ltd. In 1990 CRA carried out another feasibility study, and in 1992 it did more work on that study. People have returned to the project time and again, and every time the project did not proceed. After 30 years, the project is proceeding as a result of a sensible reaction by the Government. Many people have looked at the scheme. People have had plenty of opportunity because it has been available for 30 years. Countless studies have been carried out by countless engineers on alternate projects, but the project has not proceeded. Therefore, members opposite cannot say that no-one had an opportunity!

Mr Thomas: What happened to the intellectual property?

Mr C.J. BARNETT: I will return to that. The member can ask questions later.

First, there was nothing to tender for. Second, members opposite said that there was no competition, but for 30 years people had been having a say and looking at the project - but they got nowhere. The other point made regarding tenders was that there was no competition; there was no measuring stick against which to consider the situation. I will go through the chronological sequence of events: In November 1993 SECWA approved a capital project to examine a small hydroelectric scheme at Bandicoot Bar. That was a

SECWA project because SECWA knew that it was necessary to provide a better power supply for the east Kimberley region. On 8 February, tenders were issued. About December last year a group from Pacific Hydro Ltd - the parent group, not the Ord Hydro Consortium - came to see me. The group asked whether it was worth pursuing a hydroelectric scheme. It had had preliminary discussions at that stage with Argyle Diamonds. It asked whether we would approve of its approaching SECWA. The company was aware that SECWA was looking at the Bandicoot Bar project and it wanted to put to SECWA an idea for a bigger project. It was aware that it would need Water Authority, SECWA, and Argyle Diamonds agreement and that it would be difficult. I encouraged the company to go for it. I said that I would advise SECWA that I was happy for the company to negotiate with it on a commercial basis. I stayed out of the negotiations; they were carried out by SECWA, the Water Authority, Argyle Diamonds and the consortium. On 8 February 1994 SECWA issued tenders to six bidders on the Bandicoot Bar project for a 14 to 16 megawatt project. Did SECWA go to tender on that project? Yes, because it was to be a SECWA or government power station! The Government was saying that it wanted a 12 MW power station at Bandicoot Bar, and it was appropriate to go to tender because it was a government power station. The project on the Ord River Dam will not be a government power station; it will be a private power station.

Mr Thomas: It is on public land.

Mr C.J. BARNETT: It was not our project to tender. How many times must I say that the Bandicoot Bar project was a government project so we went to tender? That is the fundamental difference.

On 20 April 1994 the SECWA board approved the signing of a heads of agreement with the Ord Hydro Consortium for the main dam project. The tender process was kept alive at Bandicoot Bar. The tenderers were kept informed that SECWA was also dealing on the main project. That is the competition the Opposition wants. Tenders were coming in on costings and figures for a small project at Bandicoot Bar. The member for Victoria Park said that we needed alternatives - diesel options, hydro options and Kununurra options. The options were there. The only realistic option for Bandicoot Bar at 12 MW or so was out to tender - and this main project was being worked out privately. That was competition, and it was the only real competition between the only potentially viable projects.

Mr Thomas: You don't believe that. That is not competition; it is apples and oranges.

Mr C.J. BARNETT: Competition is when people offer choices; we compare them and make a decision. That is competition in the marketplace.

In May 1994 preliminary assessments of bids were received and it was established that the estimates calculated by SECWA for the cost of the Bandicoot Bar project were accurate. Also in May 1994 SECWA and its board made comparisons between the Ord Hydro Consortium proposal on the main dam and the Bandicoot Bar project. Based on estimates, the main dam project was more attractive for the following major reasons: Cost ahead of anything else, huge savings, and continuity of supply. The supply at Bandicoot Bay was subject to drought interference.

As long ago as 26 July this year SECWA's board approved the signing of a power purchase agreement for the Ord Hydro Consortium. The SECWA board resolved that work on the Bandicoot Bar project would cease. It was ruled out because it was not the best option - and the Opposition is worried about the best option. The contracts would be maintained as long as commercial agreements were reached between the consortium, the Water Authority, and Argyle Diamonds. We waited, because the Water Authority needed to reach an agreement. The final agreement was the major one between the Ord Hydro Consortium and Argyle Diamonds. Following that, there was the formal signing of an agreement between the State Government and the Ord Hydro Consortium.

Today the final financial arrangements by the consortium have been put in place. The major partners are the Ord Hydro Consortium and Lend Lease Development Capital Pty Ltd which have a 50:50 share of the joint venture. In less than a year the project has

come together. The environmental process has been sorted out. Settlement has been reached with the Aboriginal community. Work is under way. The contracts are settled. The tender process was not as the Opposition thought it should be but it was not my project to tender. Competition occurred between the projects - the little one at Bandicoot Bar, which was uneconomic, and the bigger project.

The Opposition cannot stand the fact that within a year this has happened. Today people are working on plugging the spillway. They are working with their shovels and front-end loaders. The workers are happy, and the people at Kununurra are elated because they know that when they go to bed tonight they will hear the power station working. They know that by the beginning of 1996 SECWA will turn on the key, providing clean and renewable energy to their homes. The Argyle farmers will be happy. These people will not thank the Opposition. The Opposition would like to move an amendment to put the whole project on hold while it scrutinises the project and double checks the work of SECWA and the Water Authority. The Opposition cannot stand it that the project is working. It cannot stand success by the Government.

Mr Thomas: You haven't done your job.

Mr Blaikie: It is a wonder that the Minister for coal contracts and Spedleys isn't here to take part in this debate.

Mr C.J. BARNETT: It is a wonder. I accept that it is the role of the Opposition to scrutinise and question. It has done that with research and with some intellect and forethought -

Mr Ripper: Steady on!

Mr C.J. BARNETT: Perhaps that is going too far. I withdraw, Mr Deputy Speaker.

Everyone agrees that it is a damned good project. It is good for the development of the Kimberley and the Ord. It is popular with people because it will provide renewable energy on a large scale; the greenhouse effect will be minimised, and it will save money. Everything about it is good.

Mr Ripper: It is a pity you messed it up.

Mr C.J. BARNETT: The member should talk to the workers at the spillway. He should tell them they have messed it up. He should tell them that they have a Government which, in less than a year, has facilitated the project. We allowed the private sector, SECWA, the Water Authority and Argyle Diamonds to get on with it. All we did was facilitate the project. The Opposition has accused us of lack of accountability, but the Bill before the House provides a state agreement.

Mr Thomas: It doesn't tell us anything.

Mr C.J. BARNETT: The thing is absolutely ridgy-didge; there is nothing wrong with it. The Opposition wants the Government to tender for a project which is not ours. The Bandicoot Bar project which was potentially SECWA's went out to tender. Members opposite said there was no competition or test of that, but there was a test. The Bandicoot Bar project did not stand up against this one; this project was cheaper.

The member for Victoria Park was in decision zones on the Collie power station for four years. He made virtually the same speech today as he did then. He said that we might have a deal which might work up there; that it might be renewable energy and might all be good - but, did we think about diesel power? No, I did not; I got on with the job. I did not sit down over the last year and say, "Stop everything. Let's have a nice debate." I did not consider whether we could have wind power, whether we could plug in from the Northern Territory, or whether we could have LPG. I did not think of those alternatives, I am sorry; I took the option I thought the community wanted. I know what the community in the Kimberley wants; it wants to see hydro power on the Ord - and by dam they will get it.

Question put and passed.

Bill read a second time.

Committee

The Chairman of Committees (Mr Strickland) in the Chair; Mr C.J. Barnett (Minister for Resources Development) in charge of the Bill.

Clause 1: Short title -

Mr THOMAS: Before we commence I seek clarification on a procedural matter. Standing Order No 174 states that the House may order a complicated question to be divided. I presume it also applies to Committee. Can that standing order be invoked so we can debate the agreement in the schedule clause by clause?

The CHAIRMAN: That course of action is always open, but it must be done on a motion which must be agreed to by the Committee. The member for Cockburn needs to frame a motion in writing and move it.

Clause put and passed.

Clause 2: Commencement -

Mr THOMAS: I move -

> Page 2, lines 2 and 3 - To delete "on the day on which it receives the Royal Assent." and substitute -
>
> > on the day after the Legislative Assembly resolves that in its opinion, the Agreement is in the best interests of the State.

This is an unusual amendment. It has been framed by the Opposition with the aim of achieving two ends: On the one hand, to indicate that the Opposition supports the notion of a hydroelectric scheme on the Ord, and that it wishes legislation to be passed which will enable that to happen; but on the other hand, to indicate that it is deeply concerned with the process which has led to this Bill being placed before the Chamber. The Opposition does not believe that the standards of accountability which are universally agreed as being appropriate in public life have been observed in this project. The Committee should satisfy itself that the agreement in the schedule to this Bill is in the best interests of the State.

I acknowledge that this amendment is a clumsy way of doing things. However, the reason the Opposition must opt for this amendment is the way in which the Government has brought this project to this place. The Minister for Resources Development indicated in the second reading speech and in his reply to the second reading debate that the Government was approached by a proponent who had secured an agreement with Argyle Diamonds for the sale of electricity. It thought it would be able to secure an agreement with the State Energy Commission of Western Australia for the sale of electricity and, therefore, use public assets - namely the water in the Ord River Dam and the location of the dam site - to build the project. That was to be the resource base of a $70m project.

The Opposition's contention is that the project should have gone to tender or expressions of interest should have been called. The fact that the project has been agreed to by the Government without the opportunity for other people to submit a price or a proposal for the use of those public resources is an outrageous deviation from what are now accepted as proper standards of accountability in the handling of public assets. The Committee should have before it a documented resolution which confirms that this agreement is in the best interests of the State. That would not be necessary if this project had gone to tender as one would expect to happen in the sale of almost any public asset.

In response to the proposition the Opposition advanced during the second reading debate, the Minister said that it was not necessary to go to tender because SECWA had been investigating a 12 MW hydro proposal on another dam site. It had a pretty good idea what these things cost, so when proposals were submitted the Minister was able to use the information SECWA obtained on that occasion to test the proposal. That is an absurd argument. I am sure the Minister will agree that that does not refute the argument advanced by the Opposition that, essentially, the disposal of a public asset should be by competitive bidding. It is a bit like the Government saying when it is buying a car that it

does not have to go to tender to assess the various offers to supply a vehicle, because it already owns a vehicle and it can measure the price against that. In particular, the proposal for a 12 MW power station at Bandicoot Bar is a bit like the Government evincing an intention to buy a Fairlane because it used to own a Gemini.

Mr C.J. Barnett: You can compare it only with something that is realistic.

Mr THOMAS: The Minister is talking about a 12 MW power station on a different location, and with different associated costs.

Mr C.J. Barnett: That was not the basis of the decision. You were bleating about a comparison, and I said that the SECWA board had pursued a commercial comparison and had found that the smaller project came off second best.

Mr THOMAS: The Minister said some sort of assessment was made because there was a competitive bid for a 12 MW hydro station at Bandicoot Bar. The Minister will be aware of the economies of scale, and one would expect that the economies of a 70 MW station would be different from those of a 12 MW station.

The other argument the Minister used to justify avoiding the processes of competitive tendering was to say that this is not a government project, that it is a private project and the Government has no business seeking to involve other people to put in alternative propositions to utilise those resources. He said during the second reading debate that agreement Acts exist which make available facilities for proponents of projects and which do not go through any sort of competitive bidding. The second analogy of course is absurd. The competitive process which is involved in agreement Acts occurs under the Mining Act, which has a well entrenched competitive system for order and priority in access to public resources, namely minerals. The Minister's argument in some sense may appear intriguing, but it is quite misleading. He says that this is a private project and the Government has no business in seeking to see if anyone else has an interest in that project. It is not a private project in the sense that the Government has no right to be concerned about the price that is being paid for the use of those resources. It may well have a private client - namely, Argyle Diamonds - as well as the State Energy Commission for its product. Any project can have a number of clients. Hamersley Iron Pty Ltd has a number of clients for its iron; so what?

Where this project differs from the others is where the Minister's excuse for his Government from not going to tender breaks down; that is, the resource base of this $70m project is a public asset. The location, the land and the water are all public assets. A decision that Pacific Hydro 1 and 2, and other partners in the venture be the proponents is giving them exclusive rights to that water and location and to supply SECWA, so the Government is conferring a significant private benefit on that company. When that occurs I can conceive of no reason that it should not be done by a competitive bidding process, and others should be given the opportunity to submit a proposal for the use of those public resources. That is a public resource no less than a block of land or a motor vehicle that the Government wishes to dispose of. In any of those circumstances where the Government is disposing of a public asset, it should be by a process of competitive tender. Legislation says it must be done on that basis, and those rules exist for good purposes. Firstly, to ensure that the State gets the best price for its asset, so that the public interest is protected; and secondly, to avoid the possibility of corruption by ensuring that the person receiving the private benefit is operating on the basis of open, public and competitive bidding. That is not occurring in this situation and that is a serious defect in the decision making which led to this Bill.

We support the project, but the Parliament must satisfy itself by looking at documentation and examining other proposals that this project is in the best interests of the State. We have no way, on the basis of the information that is before us at the present time, of knowing whether that is the case. The Minister said in his second reading speech, and repeated today in his response to the second reading debate, that he was approached about this project. No doubt it seems like a good idea to him, but he has no way of knowing whether it is the best price. We are told that the board of the State Energy Commission of Western Australia thinks it is a fairly good price, but it is not in a

position to know what otherwise may have been obtained. It is only a part player in this project because in a sense it is the customer who will buy the electricity. If it can get the electricity any cheaper than it can with the clapped out diesel units it uses now, it will be better off. It would not take much to do that with those aged diesel generating plants in Kununurra and also the smaller plant in Wyndham. They will be better off with almost any offer, because electricity generated by that process is expensive. That is only one small element of that process.

The major public contribution to this project is that it will occur on public land and use water which is a public resource. It is giving exclusive rights to the utilisation of that land and water to this company as against anyone else in the world. That is conferring a significant private benefit on the proponents of the project. It does that in a way that does not allow other people to put forward proposals that might well be able to utilise those public resources to the greater advantage of the State. We do not know whether there may have been competitive offers that would have ensured the State received a better return for its water resource and land, and perhaps provided SECWA with cheaper electricity than it will get under the terms of this agreement.

Chairman's Ruling

The CHAIRMAN: Before I give the Minister the call, I wish to expand upon the ruling I gave at the commencement of the Committee, because of a technical problem. Under Standing Order No 174 the member for Cockburn asked whether it would be possible to have a complicated question divided and he was referring to the schedule of this Bill. The schedule forms the bulk of the Bill and is very detailed. While the member for Cockburn was speaking the Clerk and I examined the contents of the schedule and it is an agreement which has already been entered into. The difficulty is that the agreement is not the property of this Committee; therefore, it cannot be amended. If the Committee were to divide this complicated question into various sections, members would be presupposing that amendments could be moved. Only one question will be put; that is, that the schedule stand as printed. Schedules of other Bills can be amended, but there is a complication with this schedule.

I understand that the reason the member wants to amend the schedule is to provide the opportunity for members to have access to information on the agreement from the Minister. I am sure members realise that under standing orders in Committee they have 15 minutes, plus 10 minutes and another 10 minutes to speak and perhaps this restricts the opportunity to ask a range of questions soliciting a range of information.

If members want to move a motion to divide this complicated question, I will not accept it because, in a practical sense, I cannot. One course of action open to members is to move a motion to allow additional time for the debate, but it will have to be dealt with by the Whole House; a motion in this vein cannot be moved in the Committee process. It is something for members to ponder and if they want to sort out something behind the Chair I will understand that. In this situation members are constrained because it is an agreement Bill, which cannot be amended. The Bill can either be rejected or passed.

Mr Thomas: Can the Committee suspend its own standing orders?

The CHAIRMAN: Only the House can do that. We would have to come out of Committee and reach an agreement in the House. Other avenues may be available to give Opposition members the opportunity to raise the questions which are of concern to them.

Mr RIPPER: I find it surprising that a question before the Committee is not subject to amendment. Will you, Mr Chairman, advise me which standing order prevents the Committee from amending the schedule. I understand the practical difficulty - the Government has an agreement with someone which it wants the Parliament to ratify, but if it is amended in that process it is no longer an agreement. It is a practical problem for the Government rather than something the Parliament should take account of in its standing orders.

The CHAIRMAN: I am advised that this is a longstanding problem. The first time a

Committee said a schedule to a Bill which is a signed agreement could not be amended was 14 October 1952. It is just part of a precedent and it is the way in which this place operates.

Committee Resumed

Mr C.J. BARNETT: I will not respond to all the points raised because the member was restating the issues raised in the second reading debate. I state clearly and succinctly that the project was not put out to tender. It is a private sector project, principally between the Ord hydro consortium and the Argyle Diamonds mine, with the State Energy Commission of Western Australia as a customer. Approximately 70 per cent of the electricity will be for the Argyle diamond mine and 30 per cent for SECWA to supply power to the Kununurra and Wyndham area.

This private sector project involves the use of government-owned assets and for that reason it is a matter of public interest. It is also a matter of public interest in respect of the nature of an infrastructure project and one such project necessarily precludes others. The State interest is negotiated through the development of a state agreement Act. The issue before the Committee is the process by which the commercial matters are dealt with, as reflected in commercial agreements, and the State and public interests are dealt with, as reflected in the negotiations and the state agreement. It is common practice in the development of projects in this State. I could give numerous examples of similar projects including the gas to the goldfields project and the Pilbara energy project.

The Government will not accept the Opposition's amendment for three principal reasons. If it accepted the amendment it would jeopardise, if not destroy, the project. Perhaps that is really what the Opposition wants to do. The wet season is upon the State and if the project is slowed down it is dead in the water.

Why was it that last weekend the consortium, SECWA, the Miriuwung and Gajerrong people and other groups were willing to negotiate? The Miriuwung and Gajerrong people knew that if agreement could not be reached the project might never succeed. These groups negotiated to reach an agreement on land use so that Aboriginal and heritage matters were taken care of.

The incredible irony of the Opposition's position is that only today a press release was put out by Pacific Hydro Ltd and Lend Lease Development Capital Pty Ltd after the agreement had been signed to announce the financial closing of the project. They announced the formation of equal partnership - the Ord River Dam hydro project partnership. The release states that the project is up and running and that Pacific Hydro and Lend Lease recognise the contribution and cooperation of all parties whose combined efforts have seen the project successfully through to signing. The partnership acknowledges the support of the Western Australia Government, the State Energy Commission of Western Australia, the Water Authority of Western Australia, Argyle Diamond Mines Pty Ltd, Amro Australia Pty Ltd, Sinclair Knight Merz and the Miriuwung and Gajerrong people.

It is surprising that it did not thank the Opposition. If the partnership heard this debate what would its attitude be? Everyone has played their part in this project, including the Government, government agencies, Aboriginal communities, financiers, engineers and consultants. They have done all they can to make hydroelectric power on the Ord a reality. Who wants to hold up the project? Of course, it is the State Opposition. If this amendment is passed it will jeopardise, if not destroy, the project. It is not an exaggeration, because we are now in mid-November and everyone in this Chamber knows that the monsoonal wet season will hit in the Kimberley very soon. When that starts, work stops because it is impossible, and a year is lost.

Mr Blaikie: When the Opposition was in government it let any contract regardless of the monsoons, and now there is a contract which will have immense problems with the monsoons.

Mr C.J. BARNETT: The member for Vasse is right. This amendment seeks to hold things up until this Chamber is satisfied the agreement is in the best interests of the State.

We have been through the debate on renewable energy, a reliable electricity supply and the avoidance of capital expenditure on new plants at Kununurra and Wyndham. This project will get rid of a polluting noisy power plant from the middle of Kununurra; it will provide electricity for the long term expansion of the Ord River scheme; it will generate $2.5m to $3m worth of savings for the State Energy Commission of Western Australia; it will avoid greenhouse gas emissions; and it will generate $1m of revenue for the Water Authority. Whose interests is it not in? Even the Miriunwong and Gajerrong communities think it is a good project and want to be involved in it. It is almost a rhetorical question when members opposite want to ask, "Is it in the best interests of the State?" Will anyone in the wider community seriously argue that this is a bad project? I cannot find anyone at all who is disadvantaged by this project. The only people who do not like it are the members of the Opposition.

Mr Blaikie: Where is the member for Kimberley? I imagine he would want to express his point of view.

Mr C.J. BARNETT: I do not know where he is. He is very elusive. I am very disappointed he is not here. I hope he supports us on this project.

Mr Bloffwitch: He spoke to me and assured me that if he were not sick he would be here, and he fully supports the initiative.

Mr C.J. BARNETT: That is my opinion.

Mr Blaikie interjected.

Dr Gallop: You want everyone to speak except the shadow Minister.

Mr C.J. BARNETT: We will put words in the mouth of the member for Kimberley and take him as a supporter. He did make some similar comments to me outside the Chamber, and I take it that he wants to see the project go ahead.

Mr Thomas: We do, too.

Mr C.J. BARNETT: The Opposition is doing its best to kill it. We oppose this amendment because if it were to go through, it would jeopardise if not kill the project. This amendment is not about the best interests of the State. Every player in the project and every member of the community in the east Kimberley and Perth is thrilled about the project except for the Opposition.

Finally, we cannot adopt this amendment, because if we did we would have a clause in the Bill which would read: "This Act comes into operation on the day after the Legislative Assembly resolves that in its opinion, the Agreement is in the best interests of the State." What happens to the Legislative Council? Does it not have an opportunity to have a say? The amendment says that this will come into place as soon as we decide it is in our best interests, so therefore we would just throw out the whole constitutional procedures of the Chamber. What a brilliant piece of drafting that was by members of the Opposition! They have written out all the members of the Legislative Council and prevented them from having a say. Presumably this Bill would receive the Royal assent and then come into operation when the Opposition decided that it was in the State's best interests. Those are whole new legislative criteria.

Dr Gallop interjected.

Mr C.J. BARNETT: We have the champion of the Westminster system, the expert consultant who gives us lecture after lecture on it and then ruins it. The Deputy Leader of the Opposition is the expert on the Constitution and the Westminster system but he supports this amendment. It is not an on-the-run amendment but one which is on the Notice Paper, and it completely ignores the operation of the Parliament. How good is the Opposition? It is damned hopeless!

Mr Blaikie: It concerns me that what the Opposition proposes has no relevance, but it may be that the member for Cockburn is trying to find ways of having a world trip at the expense of the Legislative Assembly.

Mr C.J. BARNETT: It may be.

Mr THOMAS: I cannot see how the member came to think that and it does not warrant a reply. The Minister said that because the Opposition called into question the very serious deficiencies in the decision making process which led to this Bill being before the Chamber it is in some sense opposed to the project.

Mr C.J. Barnett: Will you vote for the Bill and the project?

Several members interjected.

The CHAIRMAN: Order!

Mr THOMAS: I am reminded of one of the Minister's predecessors, the father of the current Premier, who had a McCarthy-type attitude to anyone who called development into question. If anyone questioned any aspect of a project, he was regarded as opposed to the development. I remember Sir Charles Court referring to environmentalists as fifth columnists.

Points of Order

Mr C.J. BARNETT: I suggest that the member is not speaking to the clause.

Dr GALLOP: The whole thrust of the argument put forward by the Minister for Resources Development in rejecting the proposition put forward by the Opposition was that we cannot afford to have this type of disruption, as he called it. The member for Cockburn is illustrating the nature of that ideology, how it has operated in the past and how today it is quite irrelevant. For you to rule, Mr Deputy Chairman, that he is incapable of using that argument would severely restrict our right as an Opposition to illustrate our philosophy versus that of the Government.

The DEPUTY CHAIRMAN (Mr Johnson): The Chair would normally allow a speaker a certain amount of latitude in his argument. I am quite happy for the member to continue.

Committee Resumed

Mr THOMAS: The simplistic, McCarthy-type attitude displayed by the Government is that if someone calls into question an aspect of a proposal, he is automatically opposed to the whole proposition; he is not supporting good and opposing evil and should be damned for so doing. That puerile attitude does the Minister no credit when rebutting the arguments we put. We have said simply that a significant benefit is conferred on a private person, in the legal sense. If that happens, it must be by a competitive tendering process so that the public interest is best served by obtaining the cheapest electricity or the most rent, as it were, for that water resource or location to be utilised to make profits.

The Minister has not answered that simple proposition, because it is unanswerable and he knows it. The second volume of the royal commission report states at length why we need this open decision making. "Transparent decision making" is a phrase which has become quite popular and I have canvassed the reasons why. The Minister said that because it is now the third week of November and the monsoons are about to occur in the north, we must pass this Bill now otherwise it will be too late; the rains will come; the opportunity will be lost; and, who knows, it will be gone forever. Next year the water will be there and so will the market.

Mr C.J. Barnett: One year's life of the Argyle Diamonds mine will have been lost.

Mr THOMAS: That is right, and I recognise that time is a resource. However, when I see a proposition to dispose of significant public assets without calling for tenders, as a member of Parliament should I not question that because a year's production might be lost? I condemn the Minister for dealing with the project in this way. Why was competitive bidding not incorporated at an earlier stage? It could have been done in February, March or April.

Mr C.J. Barnett: We would not be here with the project today. You used the word "dispose". Nothing will be disposed of. The company will have the use of the water and the tunnels through the wall of the dam, and the right to run transmission lines through the town.

Mr THOMAS: The right to use that water to generate electricity and to build a power station in that location is an exclusive right for that company. That is property.

Mr C.J. Barnett: It is a benefit.

Mr THOMAS: It is a disposable asset.

Mr C.J. Barnett: You used the word "dispose" deliberately and mischievously to try to create an impression that something has been sold. It is not an accurate description.

Mr THOMAS: In a legal sense "dispose" is a neutral term. It could be said that the right has been transferred to a second party for a consideration, and no tenders were called.

Mr C.J. Barnett: You are hot to trot on this. When you were in government did you put out the Pilbara energy project to tender? It was negotiated with BHP.

Mr THOMAS: I am not sure of the details.

Mr C.J. Barnett: You did not put it out to tender. There was a right to do certain things and to use easements and a pipeline, that excluded others. The Opposition is not consistent; there is a difference between what it says and what it does. The Opposition does not practise what it preaches; it never does and it never has.

Mr THOMAS: When we spoke about these agreement Acts I referred to the extent to which those additional rights are consequential upon the right to develop the primary resource and access to that primary resource, and access to that primary resource is obtained competitively through the processes of the Mining Act. That would apply to the Pilbara energy project, which is consequential to the other access and infrastructure the company has from that project.

I gave another example of expressions of interest being called after an agreement had almost been finalised. I was in a similar situation to the Minister now, in that I emotionally owned that project. I wanted it to go ahead for the good of the State and my electorate. I found it inconvenient for this process to be applied. I made the point in the second reading debate that good people can make serious errors even though they may be acting with the best of motives. I said that by failing to observe the due processes, the Government could make serious mistakes. The previous Government has been subjected to criticism and I have today referred a number of times to the observations in the second volume of the royal commission report. That Government was motivated for the most part by a desire to get things done. It associated with people with a reputation for that and did it in a substantial way. However, in its enthusiasm for getting things done, some serious mistakes were made. A number of people are now ruing the decisions made. The fact that the Minister is enthusiastic to see the work done and to get the project off the ground, and the fact that the project appears to be desirable in itself, does not mean the decision to short cut the proper processes is the right thing to do. The processes are in place for very good reasons, and the fact that we call for those processes to be observed does not mean in any sense that the Opposition has reservations about the notion of a hydroelectricity scheme on the Ord. We made that clear during the second reading debate. It is wrong for the Government to suggest that the Opposition is seeking in some way to sabotage the project. If that were the case - I suspect the processes required by the amendment would not necessarily take long - the Government would be at fault. This Government has been in office for almost two years and it has had plenty of time to think about and incorporate the proper processes in its decision making.

Mr RIPPER: I heard the Minister criticise this amendment as being contrary to the Westminster system. If he thinks that the amendment is out of order, he should seek a ruling from the Chair. It seems to me the amendment is in accord with the standing orders, and I doubt whether it would be on the Notice Paper if it were not kosher under the standing orders. The Minister referred to the Legislative Council, and he has involved himself in a contradiction. On the one hand he said if the amendment were allowed to go ahead, it would threaten the project and invoke delays, and in the next breath he asked why we did not include the Legislative Council also.

Mr C.J. Barnett: I did not suggest that.

Mr RIPPER: The Minister did. He said it was a problem that it did not include the Legislative Council. The Minister cannot have it both ways.

Mr C.J. Barnett: I said that the effect of this amendment would be that once the Legislative Assembly agreed it was in the State's interests, the Bill would come into operation. I asked whether you wanted to give the Legislative Council a chance to look at the Bill.

Mr RIPPER: We think this Chamber is capable of making that judgment.

Mr C.J. Barnett: I will convey your sentiments to the President.

Mr RIPPER: Some system is required by which proper scrutiny of this project takes place, in the absence of a tender process.

Mr THOMAS: In my contribution to the second reading debate I said that one of the reasons for these processes is the potential for corruption, which is an offence in this State. A system is in place to detect and prosecute those who commit corrupt acts in the public sector. One of the prime safeguards in our system for the prevention of corruption is the requirement that public assets must be disposed of or acquired in accordance with the processes of competitive bidding or tendering. The officers and people responsible for making decisions in that area have ample scope for corruption if competitive bidding or tendering is not part of the process. Even in such circumstances, from time to time attention must be directed to situations when collusive tendering and the like arise. I do not suggest that is involved in this case. I said, to illustrate the type of situation that could arise, be perceived to have arisen, or be suggested, that the proponents of the scheme could be substantial donors to the Liberal Party. The Minister got quite upset about that and said I was suggesting that he might have been influenced by the fact that this company was a substantial donor to the Liberal Party. I was not suggesting that, and I made it clear that I was not suggesting anything that would reflect on the Minister's integrity. However, justice must not only be done but be seen to be done. Therein lies the problem, because the Minister will never be able to convince anyone that this is the right decision if there is no documentation.

Mr C.J. Barnett: I will have a go in Kununurra. I reckon I would get a few supporters there. We will debate this in Kununurra, next to the noisy, smelly power station they have got. That would be fun!

Mr THOMAS: I am more than happy to debate it with the Minister in Kununurra. If the Minister is so confident of his popularity in the Kimberley, I challenge him to forgo his Liberal Party endorsement for the seat of Cottesloe and run for Kimberley against the current member for Kimberley.

Mr C.J. Barnett: I have too much admiration for the member for Kimberley to take his seat off him.

Mr THOMAS: The Minister could say as the basis for his campaign that he is the person who brought them the hydro scheme. I can understand that the people of Kununurra may well be eager for the scheme and not happy about anyone who questions the process. In my electorate, we want to see schools and hospitals built, and we would not be happy if someone questioned the process and caused delay. I was a bit miffed that the process had to be opened up when I was member for Cockburn and Chairman of the Coogee Redevelopment Committee and the then Deputy Premier said, "Hang on; we will not allow that development to go ahead; we have to call for expressions of interest", because I represent my electorate and want to do the right thing for it, but the then Deputy Premier was right. Much as I would like to see new schools, hospitals, roads, bridges and developments in my electorate, I have no right to insist that things be done in such a rush that the due process is not observed. The due process is there for a good reason, and that was illustrated at the end of the second reading debate when the Minister revealed that Mr Charles MacKinnon was involved in this project.

Mr C.J. Barnett: I thought that would be your scoop, but it did not come about!

Mr THOMAS: I trust the Minister's integrity, and that thought never crossed my mind.

Mr C.J. Barnett: It would have, had you found it out by yourself. It would have been your big leak. You would have scurried to the media and in and out of doors with bits of grotty paper.

Mr THOMAS: It never occurred to me to suggest that the Minister was influenced by the fact that a prominent member of the Liberal Party is acting for -

Mr C.J. Barnett: Come on! The member for Glendalough had a go at Peter Leonhardt because he happens to be the managing partner of Coopers and Lybrand. He is one of the most respected businessmen in Perth.

Mrs Roberts: I made no comment about him. I have not mentioned his name in this Chamber.

Mr THOMAS: The Minister is in a difficult situation because he has revealed that a prominent member of the Liberal Party is acting for the company which has been given this significant private benefit, without going to tender. The Minister will, no doubt, say - I have said before that I do not question his integrity - that the fact he is a prominent member of the Liberal Party does not mean that everything he says is silly or wrong, and I guess that is true.

Mr C.J. Barnett: He is not that prominent. He is a member.

Mr THOMAS: Yes. He is a public spirited citizen. He was a member of the McCarrey committee, which comprised a group of public spirited accountants who prepared a report on the public sector in Western Australia. We were told that they were fine, public spirited people who did that work for the good of the State, for little or no remuneration, because they wanted the State's economy to pick up and be put on a sound footing, and they wanted the public sector to play a role in that.

Mr C.J. Barnett: That is the soundest comment you have made all day.

Mr THOMAS: I was paraphrasing what the Minister and the Deputy Premier have said about the McCarrey committee. If one looked at the extent to which the recommendations have been implemented, one might think they had wasted their time. The Minister now has the problem that no-one will believe that the hatchet work that was undertaken for this Government by the McCarrey committee was done out of some sense of public duty with no thought that there might be some benefit from the Government further down the track, because this project, which was approved without a public tender, will confer a significant benefit upon a private company which had a prominent member of the Liberal Party act for it. The resource base of a $70m project has been given to a group of people who did not have to tender or bid for it. It is inconceivable that in any other circumstances a major asset would be disposed of in that way. If the Minister were disposing of his private property of an equivalent value, he would ensure that people who might be in a position to make an offer for that property were aware of the fact that it was for sale and that he obtained the highest possible price for it. However, the Minister is dealing here with not his money but a public asset, and he has taken it upon himself to dispose of that asset to a prominent member of the Liberal Party, who has done hatchet work for this Government in serving on the McCarrey committee. That could be construed as the Government's giving to a mate of the Liberal Party a substantial public asset, for political considerations, and the Minister cannot disprove that because the process did not go to tender. Had the process gone to tender, the Minister would have ready proof.

Amendment put and a division taken with the following result -

---

Ayes (18)

Mr M. Barnett	Mr Graham	Mr Ripper
Mr Brown	Mrs Henderson	Mrs Roberts
Mr Catania	Mr Kobelke	Mr D.L. Smith
Mr Cunningham	Mr Marlborough	Mr Thomas
Dr Edwards	Mr McGinty	Dr Watson
Dr Gallop	Mr Riebeling	Ms Warnock *(Teller)*

Noes (24)

Mr C.J. Barnett	Dr Hames	Mrs Parker
Mr Blaikie	Mr House	Mr Pendal
Mr Board	Mr Kierath	Mr Prince
Mr Bradshaw	Mr Lewis	Mr W. Smith
Dr Constable	Mr Marshall	Mr Strickland
Mr Court	Mr McNee	Mr Tubby
Mr Day	Mr Minson	Mr Wiese
Mrs Edwardes	Mr Osborne	Mr Bloffwitch *(Teller)*

Pairs

Mr Taylor	Mr Cowan
Mr Grill	Mr Shave
Mrs Hallahan	Mrs van de Klashorst
Mr Bridge	Mr Trenorden

Amendment thus negatived.

Mr THOMAS: The Government has just used its naked political power with its numbers in this House.

Mr C.J. Barnett: To support renewable energy.

Mr THOMAS: Its aim has been to overrule a proposal I had on the Notice Paper which would have restored integrity to this process. This process is flawed because the Government has agreed to bring to this Parliament a Bill for an Act which seeks to ratify an agreement with a company being supported by a prominent member and loyal servant of the Liberal Party.

Mr Blaikie: Who are you talking about?

Mr THOMAS: Charles MacKinnon.

As I indicated earlier, I do not believe the Minister is corrupt.

Mr C.J. Barnett: Thank you; that is most gracious. Coming from the Labor Party it will not go on my CV.

Dr Gallop: You have lost touch with reality and become arrogant.

The ACTING SPEAKER (Mr Johnson): Order!

Mr THOMAS: I make that comment because I am sure the Minister would prefer it said than not said.

In any event, we are seeking to restore integrity to this process because this is a very serious situation where the Government is disposing of public assets without observing the common standards of propriety. I have said a number of times - I should not need to keep saying it - that the amendment to the date of operation clause would allow this Bill to proceed, but would then allow the Parliament to create a mechanism to check whether this agreement was in the best interests of the State. However, the Government will ram it through the Parliament using the guillotine if need be and we will have no way of knowing whether the legislation is in the best interests of the State.

The Minister has asked us to trust him because he thinks it is in the best interests of the State, but when asked why, he says that the SECWA board said so.

Mr C.J. Barnett: The SECWA board told me it was in the interests of SECWA; Argyle says it is in its interests; the Water Authority says it is in its interests and the Kununurra people say it is in their interests. I tend to put them together and say it is in the community interest. I do not think there is any doubt about that at all.

Mr THOMAS: The Minister is probably correct, but he has fallen down by not ensuring that the people of Western Australia are protected. He is disposing of, assigning or transferring - whatever verb we want to use - a public asset which is owned by everyone in Western Australia.

Mr C.J. Barnett: It is the same with every mining resource and port site and all sorts of things that are disposed of by government every day of the week.

Mr THOMAS: Without going to tender?

Mr C.J. Barnett: Port and industrial sites do not go out to tender irrespective of whether a Labor or a Liberal Government is in power.

Mr THOMAS: I will have to take the Minister through it again because he seems to have a mental block about this. He talks about mining sites and agreement Acts. A company which operates an iron ore mine - for example Goldsworthy at Shay Gap, whose Act is the archetypal resource agreement Act - enjoys the right to use that resource. The Minister is right when he says the mines are not assigned by going to tender, but they are assigned under the Mining Act, which has a competitive process built into it.

Mr C.J. Barnett: This is assigned under the provisions of the state agreement Act.

Mr THOMAS: I know, but the Mining Act is set up to allow competition for access to those resources, which is basically competition.

Mr C.J. Barnett: It is not; it is first come, first served. There is no competition. If you are lucky enough to find a mineral, it is yours. In the case of the Argyle Diamonds mine we would not say that CRA found a resource and it will now go to auction. You are talking sheer nonsense.

Mr THOMAS: The Minister has difficulty understanding this process.

Mr C.J. Barnett: I have difficulty understanding the process of your mind; it is bizarre.

Mr THOMAS: The mining legislation is based on a competitive process, but not in the sense that people bid for it. As the Minister says, the first to find it and document it has the lease. However, the process has a hierarchy of tenements which start with prospecting and exploration licences and mining leases which encourage people to compete in the sense of exploring. The State has deemed that to be a desirable activity.

Mr C.J. Barnett: I think it is a good process.

Mr THOMAS: Tenements have conditions attached to them that they must be worked otherwise they are forfeited because there is competition in the sense of seeking to encourage the working of the tenements. Ultimately, if one proves up the resource one has a mining lease. The holders of the lease can then seek from the Government an agreement Act in order to implement a very complex process. That is no valid comparison with what we have here. If the Minister wants a comparison, it is equivalent to selling a piece of land. Someone might have a good idea and want to do something about it. Inevitably, if the person wants to use government land to further that concept, he will be told he must bid competitively and tender for whatever public asset he wants.

My reading of the files relating to this matter that I have had an opportunity of looking at indicates that CRA commissioned the Snowy Mountains Engineering Corporation to do feasibility work on a hydro scheme on the Ord. Subsequently, the Water Authority purchased that intellectual property - I am not sure what the price was - from CRA and it became the Water Authority's property. The Minister will be aware that one of the proposals put forward involved a hydro scheme on the Ord developed by the Water Authority rather than SECWA or a private company.

Mr C.J. Barnett: Is that the 1982 study? In 1982 a study was conducted by SECWA and the Snowy Mountains Engineering Corporation funded by Argyle Diamonds. In 1990 CRA carried out another study.

Mr THOMAS: I am advised it is more recent than 1982. I think it was when my colleague the member for Victoria Park was Minister that a study was done by the Snowy Mountains Engineering Corporation which was commissioned by CRA and the Water Authority purchased that intellectual property.

Mr C.J. Barnett: It may have purchased it in the 1990s, but my advice is that the study was done in the early 1980s.

Mr THOMAS: Has Pacific Hydro been given access to that property?

Mr C.J. Barnett: Not to my knowledge. I believe it has not. However, I cannot be certain. That would be a matter between the Water Authority and Pacific Hydro.

Mr THOMAS: I would be concerned if I learned that it had been given access to that intellectual property without paying for it. That is a public asset. The taxpayer has paid for it. It would be of grave concern if it were given that information in view of what it has been given already without having to go to tender.

Mr C.J. BARNETT: I cannot provide a lot more information. In 1982, Argyle-CRA funded a $750 000 study undertaken jointly by the State Energy Commission and the Snowy Mountains Engineering Corporation. I am not sure whether CRA carried out another study in 1990, but if it did it probably used some of the same information. I am not sure whether the 1982 study was sold to the Water Authority in the 1990s. To the best of my knowledge, that information has not been handed over to Pacific Hydro. However, I cannot see anything wrong with the Water Authority making that information available as part of the negotiations between the Water Authority and Pacific Hydro about the amount of money to be paid for the use of water. It is its property. I have no objection to that as part of the negotiation process. However, I do not think it was made available.

Mr THOMAS: Will the Minister provide details of the power purchase agreement and the arrangements for payment to the Water Authority for access to water rights? The Bill refers to such agreements although those agreements are not in the schedules to the Bill. They are very important parts of the equation and matters that we would like to have been able to assess.

We have indicated on a number of occasions in this debate that we are concerned whether the proposal that is to be ratified by this agreement is in the best interests of the State. We are concerned that, methodologically, we do not know that because the way of testing it is to put it out to bid on the market and see what offers we get. That has not happened and therefore we have tried to second guess what happened. It is not good enough for the Minister to claim that, with hard data and with the information it was able to extrapolate from the Bandicoot Bar proposal, which was competitively bid for, the board was able to make a decision. We have never had the opportunity of putting the ruler over this project from a competitive tendering point of view - the ultimate index of its competitiveness - and therefore we have to make some sort of judgment on the data that is available, and that is very sparse. There is nothing in the legislation about prices for water or for electricity.

Mr C.J. Barnett: I will give you a whole lot of information. Some of the negotiations between Ord Hydro and Argyle Diamonds are entirely private negotiations. You have supported the corporatisation of SECWA. Most of those negotiations were of a commercial nature between the consortium and SECWA and between the consortium and the Water Authority. That is why boards are set up to scrutinise the commercial arrangements. Do you want to second guess the boards of the Water Authority and of SECWA?

Mr Thomas: I do not want to second guess them. However, I have spent a lot of time in the last couple of years reflecting on the observations and comments made by the royal commission in its second report. In particular, I was very interested to read what it said about commercial confidentiality. One of the things the royal commission was so strong about in its comments was the events that occurred in the 1980s which are regarded as so important by the royal commission and certainly regarded as unfortunate -

Mr C.J. Barnett: They were not unfortunate; they were deliberate events. It was not unfortunate. It was a deliberate rort of the people of Western Australia by the Labor Government.

Mr THOMAS: The Minister should not tell me what words to use.

Mr C.J. Barnett: If you try to gloss over it and rewrite history for your convenience, you will not get away with it.

Mr THOMAS: It was unfortunate. There is a dichotomy between fortunate and unfortunate.

Mr C.J. Barnett: It was deliberate.

Mr THOMAS: It was deliberately unfortunate.

Mr C.J. Barnett: Your actions in government were absolutely deliberate.

Mr THOMAS: A different meaning is being assigned to that action. Often, although he was not here for most of the time, the Minister's colleagues who then sat on this side of the Chamber constantly asked the Government questions about issues such as the purchase of the Fremantle Gas and Coke Co Ltd; the debate went on for hour after hour. Ministers, who sat on the side where the member for Cottesloe sits now, stood up and invoked commercial confidentiality. They said, "We cannot tell you that because it is commercially confidential. It would be contrary to the interests of the State." Part II of the royal commission report says that this cloak of commercial confidentiality was hidden behind far too often. There are not many cases where commercial confidentiality should be invoked to keep a matter secret. The royal commission said that in most cases the services provided by the Government are not contested and there is no commercial interest, especially when public utilities provide the service, that would be prejudiced by the information being provided.

The royal commission recommended that Governments should look at the extent to which commercial confidentiality can be invoked. The Minister uses the words "commercial confidentiality" as a mantra. Having cited it, he believes he no longer needs to answer the question.

Mr C.J. Barnett: I have not used the term yet.

Dr Gallop: You just said that it is a corporatised body and therefore has certain commercial arrangements that should be kept to itself.

Mr C.J. Barnett: I said that it is its responsibility to assess it. That is why the board is set up. I questioned some of the decisions of SECWA on the Collie power station. I did not question the financial deals. I questioned the policy which I found to be wanting at that time. I do not sit down and go through contracts. Maybe those opposite did that when they were in government. I have never sat down and talked dollars and cents with these people.

Mr THOMAS: The Minister is responsible.

Mr C.J. Barnett: I assign that responsibility for commercial decisions to the board. The legislation gives the board those responsibilities.

Mr THOMAS: The Minister might delegate it; but ultimately if he signs off for it, he has to cop it if things go wrong.

Mr C.J. Barnett: I cop it because I have confidence in the board and the rules under which it operates. If the board fails, I fail. I accept that.

Mr THOMAS: How the Minister does his job is his business, but ultimately he must be held to account. When that happens he comes to Parliament and says, "I have this great idea; we will build a hydro scheme on the Ord. This Bill and this agreement will enable a project to occur." The Minister comes in here flushed with enthusiasm and says, "Have I got a deal for you? It is a great deal." How do we know that? We need to see the numbers for the return the State will get and for the occupation of its assets. We would like to know what the State will pay for the electricity which is generated by the project.

Mr C.J. Barnett: It will pay 8¢ or 9¢ a kilowatt hour.

Mr THOMAS: We have no right to know what Argyle Diamonds is paying. That should be between the Pacific Hydro group and Argyle Diamonds. As the owners of the Ord River Dam and the associated facilities, as the owners of SECWA and the owners of that water, we have the right to know the numbers upon which the financial viability of this project was assessed. That information is not in the Bill, and the second reading speech

is very short on detail. I hope that at some stage during this debate the Minister will give -us the benefit of what knowledge he has in this area so that we can make some assessment of this project.

Mr C.J. BARNETT: We have been around this issue 20 times, and we will probably keep going around it for a while. The member for Cockburn says, "Tell us the numbers." We will not agree on this. It is a private project. It involves government assets. The Government has facilitated it through a state agreement Act which is before the Parliament. The role of government agencies beyond that, in looking after the public interest, has principally been negotiated through the Department of Resources Development. The Water Authority of Western Australia is charging for the use of its water and will make revenues of about $1m a year whereas it makes nothing now. That is one number.

It is not SECWA's dam. All SECWA will do is buy electricity. It will be a customer. Currently when SECWA purchases electricity from its own plant in Kununurra, it costs about 15¢ a unit per kilowatt hour. It will be able to buy electricity for 8¢ or 9¢ a unit per kilowatt hour. That is a second number. SECWA is happy because it is selling the use of water. As a customer, it is buying electricity at a cost far lower than it can produce it. The State's interests have been handled through the Department of Resources Development, which has been dealing with all of the parties as a Public Service department, not as a trading corporation of government; it has been negotiating with all relevant agencies and drafting a state agreement to protect the public interest.

Opposition members talk about commercial agreements. It would be totally wrong for me to have sat down with the Pacific Hydro group and gone through the deal. I know that some former Labor Ministers wanted to sit at the table and stitch up the deals. They wanted to smoke big cigars and have a scotch on the rocks on the table while doing the big deals. A couple are not in a position to do that at the moment!

Mr Kobelke: What about your flunkies?

Mr C.J. BARNETT: Now we are getting to the real issue: The board members of SECWA and of the Water Authority are flunkies. I did not, nor would it be proper for me to, sit down with the Ord River hydro consortium and the people from Argyle Diamonds and do the deals and trade the numbers. That is not my role as a Minister. I trust that to the professional management of the agencies and to their boards to scrutinise that. The advice from SECWA is that it has looked at the project and considers the Ord River hydro deal to be far better in energy costs for us, and therefore the community, than if it generated electricity through its own project.

Dr Gallop: Why was it so difficult for you to bring this information to the Parliament?

Mr C.J. BARNETT: I have quoted it today.

Dr Gallop: There is nothing in the second reading speech. It has only come up as a result of our questions.

Mr C.J. BARNETT: What a great question: Has the board of SECWA looked at it? The board of SECWA would have failed in its duty had it not looked at it.

Dr Gallop: There is nothing in the second reading speech about it.

Mr C.J. BARNETT: I take it for granted that the SECWA board would have done its job. The Opposition referred to SECWA board members as flunkies.

Several members interjected.

Mr C.J. BARNETT: The Minister for Water Resources leaves it to the Water Authority and relies on its powers for proper scrutiny. That is the proper process. The advice to the Minister for Water Resources is that it is good for the Water Authority. The advice I have received as the Minister for Energy is that it is good for providing energy in that region. That is the commercial scrutiny. Then the Department of Resources Development looks after the public interest issues. It has negotiated and handled that through the state agreement. The wider issues of renewable energy and growth of the

Ord are then considered. It is all good, good, good. Everyone is happy except the Opposition. What a miserable bunch those opposite are. They just cannot get happy. They should smile, do something, be happy about it! The environmental protection people are happy, the Conservation Council of WA is happy, the growers are happy, the proponents are happy. Everyone is happy - except for Opposition members, and all they want to do is to hold up the project. I am not privy to the fine details of the financial arrangements.

Dr Gallop: Are you not?

Mr C.J. BARNETT: No; I am deliberately not. This is a different Government. Those opposite want me to be privy to these details. They would have me go to SECWA and say, "Hang on, I want to look at the deal; I will shave a few cents off here or there. Let's have a look at it." We saw that in the 1980s. Brian Burke did that with the casino and all the other deals. John Horgan was doing deals; the Cabinet was pulling them apart and money found its way to the leader's account. Members opposite think that Ministers of the Crown should be involved in commercial deals.

Members opposite provided the best example of that in the western world, because the Labor Government wanted to do hands-on deals. It was an appalling mess. Members opposite are a disgrace. Week after week, members opposite attempt to give us lessons on the Westminster system, but when it comes to the crunch they have no idea. Their performance with the Midland saleyards was a disaster. We listen to the lectures, or we sleep through them, but the recent performance about the numbers indicates that the Opposition has not learnt from the events in the 1980s. I am prepared to table a description of the contracts.

Dr Gallop: Little titbits!

Mr C.J. BARNETT: These are not titbits. Actually, this information has been put to the media; it has been put into the public arena. It is not a secret.

Several members interjected.

Mr C.J. BARNETT: Now that they know the information is public, members opposite do not want to know about it. Shall I sneak it under the table? That is the way Labor Party deals are done!

Dr Gallop: You are out of your tree.

Mr C.J. BARNETT: I am probably getting tired. The water supply agreement is a 25 year agreement. The Water Authority is to build, own and maintain the spillway plug. It will minimise the release of water during the interim period. The Water Authority is responsible for the maintenance of the dam. This document contains the details of how the Water Authority will receive its payments, which are estimated to be $1m a year. It is not a take-or-pay agreement because SECWA can take the electricity on a needs basis.

The power purchase agreement is a seven year agreement based on a payment per kilowatt hour. That is a form of take-or-pay. The group bearing the risk in a commercial sense, if anyone is, is the Ord Hydro Consortium which is putting up the $70m to build the project. The group underpinning the major contract and which is bound by a take-or-pay contract is Argyle Diamonds. The State Government is getting a free ride, and the Opposition hates that.

Dr Gallop: We do not.

Mr C.J. BARNETT: Members opposite have been grizzling all day.

[The paper was tabled for the information of members.]

Dr GALLOP: What an extraordinary process. The second reading speech contains no information of any value to assist the Parliament in determining whether this is a good project. We raised the issue with the Minister - and suddenly he is capable of telling us the electricity tariff. Why was that information not included in the second reading speech?

Mr C.J. Barnett: In the second reading speech I said that the cost of electricity to SECWA currently from its power station is 16¢ a kilowatt hour, and the cost from the Ord Hydro Consortium is 8¢ to 9¢ kWh.

Dr GALLOP: I cannot recall that information in the second reading speech.

Mr C.J. Barnett: I apologise. The information was contained in a ministerial statement made on 26 October in Parliament at the time of the signing of the contract. The cost of producing electricity in the region will be reduced as the Ord hydro scheme is able to produce electricity at 8¢ to 9¢ kWh compared with 15¢ kWh for diesel generating equipment.

Dr GALLOP: We now have the tariff. We do not have the SECWA or Water Authority analysis of the cost and benefits of the project. The Minister is not interested in that analysis. He is not interested in factoring it into his advice to Cabinet regarding whether it is a good project or not.

Mr C.J. Barnett: I know exactly why the member could never decide about Collie. I know why the unions in Collie said that if he ever showed his face in town again they would throw him down the pit.

Dr GALLOP: Why do they ring me up and invite me down there to have a chat?

Mr C.J. Barnett: I wish you would go.

Dr GALLOP: The Minister knows what he said is not true. It is not true that I am not welcome in Collie.

Mr C.J. Barnett: You might be welcome there, but when I was there people said that if Gallop showed his face in town again -

Dr GALLOP: The Minister could not help himself, just like the Minister for Planning. A little untruth has crept in.

Mr C.J. Barnett: I did not say that the member is not welcome in Collie, but if I were the member I would take a few big mates with me.

Dr GALLOP: I have no fear about that.

Our simple request is for the analysis that led the Government to the conclusion that the project design and construction make it the best possible one for the east Kimberley for electricity services. Given the confidence that the Minister has in the project, it should be easy for him to provide the analysis. However, he has chosen not to do that. As we proceed he gives us a little information here and there. Why did he not provide all the information at the beginning? Had he done so, we would not need to go through this process now. We are not against the hydro project.

Mr C.J. Barnett: You have voted to delay it.

Dr GALLOP: We are in favour of renewable energy. We are also in favour of the Parliament being given adequate information so that when we vote on an issue we can be confident that we are voting properly. It is a simple request. All government backbenchers should note that the Minister has set a standard on this issue which, if repeated in other areas, could lead to severe and deleterious consequences for good government in this State.

Clause put and passed.

Clause 3: Interpretation -

Mr THOMAS: The clause defines the agreement. During the Minister's last outburst when he spoke about the previous Government, he criticised Ministers of that Government for taking a hands-on approach to their portfolios in seeking to satisfy themselves -

Mr C.J. Barnett: Some of them were seeking to satisfy themselves, that is true!

Mr THOMAS: They were seeking to satisfy themselves that the matters they had to bring to Parliament could be properly accounted for. There are two options. First, we

can trust the judgment of other people. The Minister has brought his proposal to the Parliament. He commends it to us, not on the basis of any analysis or any knowledge he has, and not on the basis of any proper procedure, but simply on the basis that someone whose judgment the Minister trusts has told him that it is okay.

Mr C.J. Barnett: Don't you accept that SECWA says the electricity now costs 15¢ kWh but will be able to be bought for 8¢ or 9¢ kWh? It is a simple proposition.

Mr THOMAS: The Minister says that the proposition must be good because SECWA claims that currently 15¢ kWh -

Mr C.J. Barnett: From SECWA's point of view it is great. SECWA is thrilled.

Mr THOMAS: The proposition is that 8¢ to 9¢ a kilowatt hour will be paid; therefore it must be good. The point is that the proposition does not need to be good or the best - it must be better. What would be the cost of electricity at Bandicoot Bar?

Mr C.J. Barnett: I do not have the figure with me, but this was a far more attractive proposition.

Dr Gallop: We should know these things.

Mr THOMAS: That is the problem. The Minister does not know. From SECWA's point of view it is much better to pay 8¢ or 9¢ kWh than 15¢, but what if it were available for 6¢ or 7¢ kWh?

Sitting suspended from 6.00 to 7.30 pm

Mr THOMAS: The arguments the Opposition has put in this matter were canvassed quite extensively in the second reading debate and in the clauses we have discussed so far in Committee. It is not my desire to reiterate those.

Clause put and passed.

Clause 4 put and passed.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

MR C.J. BARNETT (Cottesloe - Minister for Resources Development) [7.35 pm]: I move -

That the Bill be now read a third time.

MR THOMAS (Cockburn) [7.36 pm]: I will use the third reading debate to summarise the Opposition's position on this Bill. The Opposition is not opposed to the notion of a hydroelectric scheme on the Ord River; indeed, we welcome it for the reasons outlined earlier. It is an environmentally benign method of generating electricity and in this location it will displace a most unsound method, economically and environmentally, of generating electricity; that is, diesel. The Opposition is pleased about that; however, it is concerned about the process by which we have reached this stage.

The Bill, which is essentially an agreement with enabling clauses, has been presented to this House for its approval without having undergone the proper procedures one would expect in circumstances where a public asset is being disposed of. We have had a little sophistry from both sides of the House as the Opposition has asserted that what is happening in this instance is the disposal of a public asset. The Government says that this is a private sector project and there is no reason the question of competitive bidding or tendering should arise. However, the Opposition says that the Government is disposing of a public asset - the access to that water resource and to the land and space for the purpose of generating electricity - by awarding the power purchase agreement through the State Energy Commission of Western Australia. The Government is a major

stakeholder in the process - not of equity in the legal sense, but in the normal sense in which that word is used - and the public assets involved are essentially the resource base of a $70m project. It is anathema to the Opposition that a resource of such significance can be disposed of to confer a benefit on a private company without going to tender. That is contrary to the public interest because other proponents may have been able to come forward with a proposition which would achieve an even lower electricity price.

The Minister has said that the electricity will be available at between 8¢ and 9¢ kWh. That compares favourably with the cost of generating electricity from clapped out diesels, as they have become known, in Kununurra and Wyndham. To that extent it is a major advance for SECWA, and it will be for the Electricity Corporation over the duration of that agreement. However, the Government has not been able to answer the Opposition's suggestion that it may have been able to get the electricity even cheaper. If it is great for the new Electricity Corporation to purchase power in Kununurra for between 8¢ and 9¢ a kilowatt hour, it would be even greater if it could get it for 6¢ or 7¢. That could have been the case; however, we will never know because the due process of competitive tendering for the allocation of those public assets has not been followed in this project. The Opposition has said that not only should competitive bidding, tendering or the calling for expressions of interest be used in circumstances such as this in order to guarantee that the State gets the best, but also that questions of propriety should be observed so the public is guaranteed that no corruption is involved.

When benefits are conferred on private individuals, the capacity will exist for allegations or suspicions of side deals and improper influences at work in selecting the proponents. A competitive tendering process leaves no scope for improper practices. Although we are not suggesting any improper influences are afoot in this case, that is always possible. The Minister has put himself in the position of being unable to say whether there were any improper influences. If there were a competitive tendering process, we could rely not only on the Minister's considerable reputation, but also on the guarantee of the procedure which ensures that such influences would not be material in deciding what was the ultimate cause of events.

It was revealed during the debate that a prominent member of the Liberal Party and former business partner of the Premier was acting for one of these companies. A cynic would say the reason that the Government did not go to tender and selected that proponent for the role, was not necessarily because it was the best project from the point of view of the State's interest, electricity prices and return on the asset in the form of payment for the water, but was because the proponent had acting for it a prominent member of the Liberal Party who had played a role on the McCarrey commission and was a former business partner of the Premier. The Premier, Mr Charles MacKinnon and the Minister for Energy would want to be in a position where they could refute that argument. They cannot refute it, because history has gone too far and the selection process did not involve the use of competitive tendering. To that extent, the project is flawed.

That flaw is serious, and it is the second time this year we have seen that flaw demonstrated in decision making by this Government. Earlier this year a proponent was selected for the Collie coal fired power station. Those contracts were signed without tendering. An experienced power station bidder was banging on the door with a price that was millions of dollars less than the final contract price advised by the Minister.

This Government is starting to set a pattern. The former Labor Government was subject to criticism about WA Inc, and one of the allegations made by rhetoric rather than any substantive references to the findings of the royal commission, was that people had mates and deals were done. Those words are used in a pejorative sense these days in referring to deals between government and business. This Government has not learnt anything from that. The Minister says "Trust me." He says he has good advice and that we must trust that he will deal with the right people. We want to be able to trust the Minister and the Government, because the economic credibility of the State, which is of interest to all of us, is at stake in these matters. However, when these patterns repeat themselves and project after project is selected to enjoy the benefits of using public assets, not on the

basis of competitive tendering but on the judgment of the Minister or his advisers, it is an unsatisfactory situation which will catch up with the Government and will ultimately cause it grief. Wrong decisions will be made and when that is demonstrated, that will be sheeted home to the Minister.

In the meantime, because the Government is not prepared to accept the Opposition's amendment, we must accept that the electricity prices that will be realised in the east Kimberley are the best. We will never know because the Government did not test it on the market. We must assume that the decision was made with propriety, even though the person acting for the proponent was a senior member of the Liberal Party, a loyal servant of this Government and the McCarrey gang, and a former business partner of the Premier. I hope those factors did not influence the selection, but the Government can never prove that they did not, because it did not use the proper processes.

The Opposition has serious reservations about the procedures and processes that the Government utilised to get this Bill and its associated agreement into the House to this stage. Notwithstanding our reservations, we are pleased to see a hydroelectric scheme being put in place on the Ord River. Our reservations, which were expressed in the form of an amendment, were not intended to delay the project. Any concerns about timing must be directed fairly and squarely at the Minister. He brought this Bill into the Parliament, and now he has the gall to say that any delay means the project will miss the monsoons, and result in a delay of one year; we will miss that mythical window of opportunity and the project will never come again.

It is ludicrous to suggest that the blame lies with the Parliament for wanting to consider the economics of a $70m hydroelectric project. If the Parliament were to properly exercise its responsibilities - it will not because the Government has the numbers - and satisfy itself as to the financial bone fides of this project, any delay would not be properly assigned to the Parliament for choosing to discharge its responsibility properly; it would be sheeted home to the Government for bringing legislation into the House and having it debated a matter of days before this climatic imperative is to descend on the Kimberley. It is the Parliament's responsibility to ensure the State is governed properly. If there is any criticism, it is criticism that the Government should accept.

Notwithstanding that, the Opposition welcomes a hydroelectric scheme on the Ord. We hope it will contribute to the development of the east Kimberley. We are pleased that Argyle Diamonds will enjoy the benefits. The fact it is committed to the project may mean it will seek to extend the projected seven year life of the mine. We are pleased at the prospects for a sugar industry being established in the east Kimberley. If projects which involve further processing of agricultural products are to succeed, they will need access to cheaper electricity than would be available from diesel generation. The economic development of that area will be facilitated by the introduction of electricity, which is generated in an environmentally sound and clean way. We welcome the project, although the Opposition has reservations about the way the Minister has conducted the decision making process.

MR C.J. BARNETT (Cottesloe - Minister for Resources Development) [7.50 pm]: I thank members opposite for their comments. We have had a protracted debate on this Bill and the issues of accountability and scrutiny could be argued at length. I am aware that members opposite support the legislation and I advise them that, although their amendment would not have served any functional purpose, it was a little bit reckless and, if it had been passed, it would have postponed the project. The project cannot be postponed because of the climatic conditions.

In fairness, all members of this House agree that it is a legitimate process, although the main issue is how state agreements should be handled. I am satisfied with and comfortable about the way this process has been developed by the Department of Resources Development, which negotiated the state agreement; the State Energy Commission of Western Australia, which negotiated the electricity costs; the Water Authority of Western Australia, which negotiated all water issues; and the Minister for Agriculture, who will carefully examine the agricultural development along the Ord

River. It is a good project and I hope the construction proceeds satisfactorily, and I am sure members share in that view. I hope the project will prove to be a reliable long term supplier of electricity to the east Kimberley region.

Question put and passed.

Bill read a third time and transmitted to the Council.

MEDICAL AMENDMENT BILL

Second Reading

Resumed from 2 November.

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [7.52 pm]: The aim of this Bill is to provide for a uniform standard of admission to medical practice across Australia. This Bill is a move towards providing mutual recognition between each of the States and Territories within the Commonwealth. The Standing Committee on Uniform Legislation and Intergovernmental Agreements has reported to the Parliament on the subject of intergovernmental agreements and I note the Government has yet to indicate its response to that report. It is pleasing that the parliamentary committee, in a bipartisan way, unanimously reached the conclusion that the mutual recognition scheme which was established in 1993 is a very good one and Western Australia should waste no time in joining it. I note that for the benefit of my fellow members and I hope the Government will make its position known very soon, and I hope it will be positive.

Mr Minson: Which scheme are you talking about?

Dr GALLOP: The mutual recognition scheme; Western Australia is the only State that has not joined it. When it does, this legislation will link with it. This Bill provides for the unilateral recognition of qualifications that are accepted in other States and Territories. In other words, Western Australia accepts mutual recognition as a principle and has established, independently of the existing mutual recognition scheme adopted by the other States and Territories, that in respect of medical practice it will accept those medical practitioners who are registered in the other States. It is certainly consistent with the move towards mutual recognition.

If Western Australia joins the existing and universal mutual recognition scheme, what will it mean for medical registration throughout Australia? The answer to that question is one of the key points which lies behind this legislation. Currently Western Australia has lower standards of registration than any of the other States. Medical practitioners from the United Kingdom and Ireland with primary qualifications in medicine and surgery can automatically register in Western Australia. The member for Kenwick will outline the statistics pertaining to the number of medical practitioners from the UK and Ireland who are currently practising in this State and which indicate the influence they have had over this State's medical system.

A concern of the other States and Territories is that if Western Australia joins the mutual recognition scheme and the standards which applied in this State were significantly different from those applying in the other States, Western Australia could become the base for many doctors coming into the country, who could then move interstate. Of course, through the principle of mutual recognition, that would be quite possible and legal. The principle of mutual recognition is that if one State registers a person in an occupation he can practise in any State or Territory, and if one good can be sold according to the rules of one State it can be sold in the other States and Territories. If Western Australia's standards for registering doctors from overseas were significantly different from those of the other States, when this State adopts mutual recognition, doctors from overseas could come here first and then go interstate. This issue has been raised at a number of Australian Health Ministers' Conferences.

Mr Bloffwitch: They could go first to another State and then come to Western Australia.

Dr GALLOP: Historically, Western Australia's standards are lower than the other States.

Mr Bloffwitch: A lot of doctors have come here from New South Wales.

Dr GALLOP: I understand the standards are lower in this State. Persons with unconditional registration in other States can practise in Western Australia; therefore, in relation to the medical profession this State recognises the principle of mutual recognition. The major change in this Bill is that doctors with UK and Irish qualifications will no longer have an automatic right of qualification. Only Australian and New Zealand qualifications will entitle an applicant to automatic, unconditional registration. The Australian Health Ministers' Advisory Council recommended that in 1991 and it was adopted as a principle by all Health Ministers in 1992.

Mr Minson: In 1991 or in 1992?

Dr GALLOP: I think it recommended it in 1991 and adopted it in 1992. So far, Western Australia is the only State which has failed to amend its legislation in the manner decided by the Australian Health Ministers' Advisory Council in 1991. As a result Western Australia has had a large number of applications for registration and that has caused some degree of angst in the other States and Territories.

This legislation proposes that overseas graduates can come to Western Australia, but they will be admitted only where there is a special need - for example, in country areas - and I will come back to that later. In order to deal with the issue of the difference in the registration standards in this State and the other States and the obvious need in Western Australia to have access to medical practitioners and specialists to meet areas of special need, the Bill proposes to radically change the Medical Act 1894 by having two categories of registration. The first category will be unconditional and the second will be conditional. Unconditional registration will be available to those people who have qualifications from an Australian or New Zealand medical school, recognised by the Australian Medical Council; who have passed an Australian Medical Council examination; or who have already been unconditionally registered in an Australian jurisdiction.

Obviously if someone is already registered in another jurisdiction, by the principle of mutual recognition he or she can come to Western Australia. If he is entering the country for the first time he will need qualifications from an Australian or New Zealand medical school or a pass in the Australian Medical Council examination. In terms of Australia's position vis a vis the rest of the world there will be a common medical entrance standard for medical practitioners coming into the country in respect of unconditional registration. Of course, the problem of particular issues in particular States is still left to be resolved. The legislation tries to come to grips with that by this other category of conditional registration. If someone is not eligible for unconditional registration he may be eligible for registration under one of the seven categories of conditional registration. The seven categories are: First, graduates from non-accredited institutions engaged in postgraduate training; second, medical teaching; third, medical research; fourth, unmet areas of need; fifth, recognised specialist qualifications and experience; sixth, foreign specialist qualifications and experience and engaging in further training; and seventh, temporary registration in the public interest. Those categories are available for conditional registration. Clause 7 provides that conditional registration is at the discretion of the Medical Board. Pages 8 and 9 of the Bill define those seven categories that are available for conditional registration. I will not go through each of them, but later in the speech I will talk about the question of unmet need.

An important part of the Bill is that changes are proposed also for specialist registration. The question is, who decides whether a practitioner should be registered as a specialist? Clause 8 refers to section 11AF(1)E and mentions the registration of specialists. Basically the Medical Board is to be given the ability to register someone as a specialist. The briefing notes provided on the Bill state that the Medical Board will do this in consultation with the various specialist colleges. I want to look at the relationship between the Medical Board and the colleges in respect of the registration of specialists, because I have some concerns that the legislation has not perhaps been tight enough in relation to the powers it gives to the board to make decisions on that matter. Specialist

registration and conditional registration involve important implications for the ability of Western Australia to meet areas of unmet need. The second reading speech states that in respect of non-metropolitan Western Australia and in respect of psychiatry in public institutions, this Bill should assist in overcoming some of those areas of unmet need. That is the basic thrust of the definitions of conditional and unconditional.

We still have a problem with those medical practitioners who have come into Western Australia in the last few years after the Health Ministers decided in 1991 to bring in a common standard of entry. How are we to deal with those medical practitioners? Some have not even come to the country yet but they have been registered. The Australian Health Ministers' Advisory Council proposed that the cut off date for automatic registration of overseas practitioners was to be 31 January 1992. What are we to do with those who have registered since that date? They were notified of the impending change in the law and that this could effect their registration. Indeed, in Western Australia 200 from the United Kingdom and Ireland have registered. Not all of them have practised here but about 100 at present do and a large number have remained overseas.

If mutual recognition is introduced and the legislation is not made retrospective, two problems may emerge. First, we may provide the basis for a flood to the Eastern States of doctors who just use Western Australia as a springboard for entry into Australia; and secondly, Western Australia may lose rural and remote area specialists to the other States, which is something we could ill afford to see happen. Certainly that problem needs addressing. The legislation proposes in the last clause, which deals with savings and transitional provisions, that a distinction be drawn between, firstly, those who have registered but have shown no serious attempt to reside or practise here; secondly, those who at the time the Act will come into force have shown an attempt to reside and practise here; and thirdly, those who reside and practise for a significant time, which it sets at two years. How does the Bill define this concept of "a serious attempt" to meet the requirements of residing and practising here? It defines it as six months' residence and practise. Those who have been here for six months can apply for special conditional registration for as long as they wish. They can practise here but not transfer anywhere else. After two years they would be eligible for unconditional registration. Those who fail that test defined by the term "serious attempt to reside and practise here" can obtain a 12 months' conditional registration, during which they can obtain some other form of registration under the ordinary provisions of the Act.

That is a basic summary of the Bill and the history of it; how it came into being with the Health Ministers getting together and deciding to set a common standard; how it relates to the mutual recognition process and to the provisions of a distinction between conditional and unconditional registration; and how it deals with those doctors who have registered here after 1991.

I will raise a number of concerns about the registration. I will look first at the issue of conditional registration which is dealt with in clause 8, which affects section 11AF. The Medical Board can register someone as a medical practitioner or specialist. By the way, this legislation also deals with the issue of increasing the size of the Medical Board, which I will come to later. The Medical Board is given that power, and in the second reading speech and briefing notes it is indicated that the Medical Board will consult with the colleges in respect of specialist registration. We have to note two aspects about this conditional registration. The first is that it can be in areas of unmet need. How are they defined? They are defined by what the Minister makes them. The Minister is given the power to define unmet need and then the Medical Board is given the ability to register medical practitioners and/or specialists, according to those areas of unmet need, in consultation with the colleges.

The second important part of the conditional registration is that it must be done on terms and conditions laid down by the board. The Minister defines "unmet need", but the Medical Board registers the practitioners or specialists on terms and conditions it lays down. My concern about this part of the Bill is that a good deal of discretion is afforded to both the Minister and the board. This is a feature of much legislation, but it is worth repeating the problems arising from that discretion. Firstly, when the Minister introduced

this legislation he should have attached to it a very clear definition of his view of unmet need so that we would know what he has in mind. He has mentioned psychiatrists in the public sector and the shortage of specialists in the rural sector. They are obvious references, but no mention is made of how the executive arm of government intends to put its powers into practice. That is an important question. This legislation will give power to the Minister and the board to register medical practitioners, and the conditions under which they must operate are generally defined. The Minister could quite properly have presented to the Parliament at the same time that he introduced the Bill a clear statement on how he will administer the Bill once it is passed. It is an important issue.

I ask members to put themselves in the position of medical practitioners from overseas who may wish to register in Western Australia, or those who wish to gain specialist registration in this State. They will want to know that the procedures adopted will be open and fair so that all will be treated equally. That should go without saying but, nevertheless, this legislation gives power to the Minister, and the Minister does not state how he will use that power. It is also important that we be confident that the Government will administer the policy in a way that will overcome the shortages referred to. I know the member for Mitchell wants to raise a number of matters related to that question. The intention of the legislation is clear: Areas of unmet need exist in the community and the registration process will be used to bring in doctors to meet those areas of unmet need. However, in the absence of the criteria that will be used when the legislation is administered by the Government of the day, the Minister, the Medical Board and the colleges, how can we be sure that it will lead to the intended conclusions? What if the terms and conditions laid down are such that the legislation is a disincentive for medical practitioners to come to Western Australia? How can we be sure that the colleges will not use their influence on the board to restrict entry? These are important issues. The Minister has made it clear that he wants to use this legislation to deal with areas of unmet need. I do not doubt in any way at all his commitment and intention. However, it is very important, if that commitment and intention are to be realised in results, to know how the process will be administered. It is a clear example of legislation which gives power to the executive arm of government and makes an assumption about how it will operate to meet a particular problem. However, on closer examination, one cannot be sure, firstly, that the power cannot be used arbitrarily and improperly and, secondly, that it will be used in the way that will lead to the results intended by the Bill in the first place.

It is disappointing that the Minister has not made clear, through a policy statement attached to the legislation, how the legislation will be administered. None of us doubts his intention or questions the strategy being adopted in general terms but, at the end of the day, the details are important for the individuals concerned and their rights, and the public interest intended to be served. The legislation affords a great deal of discretion to the Minister and the board, but it does not indicate the policy that will be employed to ensure the intention of the legislation is carried out.

I envisage another problem with this legislation as it stands, with regard to the Medical Board generally: No allowance is made for any appeal of a decision by the Medical Board in relation to these matters. I will raise this matter again in Committee. It is interesting that the Victorian Medical Practitioners Act of 1970 provides that if a person is refused registration, and his registration is suspended etc, the aggrieved applicant can appeal to the Supreme Court. I make this point because I have already said that the legislation is not supported by a clear statement of policy about the way in which it will be administered. Of course, that can be a very important matter for the individuals confronting the system. They will want to be treated fairly and equally with all others. Consideration should have been given to some appeal mechanism. I raise that issue for the same reason that I criticised the lack of a policy statement. What happens if the Medical Board uses its power to restrict entry? It is a very interesting question. Perhaps the Minister will answer that by clarifying the relationship between the Minister and the Medical Board, and indicating how the Minister's definition of unmet need can operate within the functioning of that power. The lack of an appeal mechanism relates to another feature of the Bill. Proposed new section 11AA states that applicants must be competent

and of good character - that is, have the physical capacity, mental capacity and skill to practise medicine - and have a sound knowledge of the English language, both written and oral. I keep thinking of the old immigration policies in Australia, in which the language requirement was used as a basis for refusing entry to those of a race not thought acceptable for the Australian way of life, or was used for political discrimination against those wishing to enter our country.

Mr Prince: When talking about the diagnosis of people, communication is probably the most vital aspect. The scientific testing is important but communication is more important.

Dr GALLOP: I take the point made, but the Minister for Aboriginal Affairs knows only too well, as a lawyer who has confronted the system on many occasions, that the Executive will use the power given to it and will occasionally use it in an arbitrary way. It may very well be that the clause will be interpreted quite properly with regard to those who wish to enter the country and to practise medicine, but it may not be. That being the case, an appeal mechanism should be provided. Administrative appeals are now entrenched in our immigration system. The old days when politicians could get involved in immigration issues have evaporated. I think Senator Robert Ray introduced that change when he was the Minister responsible.

Mr Kierath: Do you support that?

Dr GALLOP: The new system is working well and people understand it.

Mr Kierath: What about people with unusual circumstances?

Dr GALLOP: I know of cases where the Administrative Appeals Tribunal has, quite properly, taken into account those issues.

Mr Marlborough: I liked the old system where you could ring the Minister and ask him to fix it. That is what he is there for.

The SPEAKER: Order! We do not wish the member for Peel to describe how he came here.

Dr GALLOP: It has been pointed out to me that while this clause has honourable objectives, it may be abused by the Executive. To summarise my point about conditional registration, a great deal of discretion will be given to the Minister and the board; we have no clear indication of what will be the policy of the Minister or the board; and there is no allowance for any appeal of a decision.

In dealing with the fundamental issue of whether this legislation will achieve its purpose, I will give two examples. The first example is the shortage of psychiatrists in Western Australia. The Minister confidently predicted in the second reading speech that this legislation would overcome the shortage of psychiatrists in Western Australia. There is no doubt that in all of the States there has been a significant drift of psychiatrists from the public to the private sector, but that drift has worsened in recent years. It is interesting that about 20 per cent of the 75 to 80 public sector psychiatric positions in Western Australia today are vacant. The last time I asked the Minister a question about this issue, there were about 20 vacancies in the system. We would all acknowledge that that is a significant problem because psychiatrists play a crucial role in the administration of our mental health system: They have an important duty of care, and they have a legal right to administer medication. We found out earlier this year that when the psychiatrist in the Armadale-Kelmscott area goes on leave, there is no other psychiatrist to whom patients can be referred, so a person in that area who is mentally ill, or a person who leaves Heathcote Hospital or Graylands Hospital and wants to go back into that community, must go somewhere else for treatment or medication.

The problem is not that there is an overall shortage of psychiatrists but that in recent years psychiatrists have preferred to work in the private sector, for three reasons. Firstly, the nature of the work in the public sector is more difficult because the public sector deals with the most seriously ill in our community. Indeed, as stated in the Burdekin report, about 60 per cent of clients in the public sector are seriously ill. Secondly,

psychiatrists have greater autonomy in the private sector and their work is more satisfying in regard to how they set their agendas and deal with patients. Thirdly, there is inadequate professional and administrative support for psychiatrists in the public sector. A psychiatrist who gave evidence for the Burdekin report is quoted at page 173 of volume 1 as follows -

> Psychiatrists in the public sector obviously make a number of sacrifices to stay there, not the least working with the frustration of under-serviced and stigmatised systems which are over-bureaucratised with patients with the most severe and often intractable disorders ... The financial disparities of course, are also an issue ... [Psychiatrists work in the public sector] because they have, I believe, a commitment, at times even a passion, for the rights of the mentally ill.

Mr Minson: The statement about the conditions under which psychiatrists operate is an extremely broad generalisation.

Dr GALLOP: We are talking about the professional and administrative support which psychiatrists receive in the public sector. Their ability to conduct their tasks with rudimentary administrative and professional support compared with the support which their private sector colleagues receive is a significant issue to them. That issue is not addressed in this Bill but it must be addressed. Other issues arise from time to time, such as remuneration.

Mr Minson: That is not an unimportant consideration for people who go from the public to the private sector. I think you have to be honest about that.

Dr GALLOP: It is an issue, and I will come to that in a moment. The seriously ill require help from the public sector, and the drift of psychiatrists from the public to the private sector is one of the causes of the crisis that exists in the system. The Australian Health Ministers have said a number of things which provide a good summary of the problem. We must develop a nationwide and statewide plan to address the problem. Firstly, we must focus on the problems that exist in the public sector and on the way in which mental health services are organised and run. I do not have any considered conclusions on that issue at this stage, but the report put out this year by Dr John Hoult of the Schizophrenia Fellowship, who travelled around Australia to look at mental health issues, put the view that there should be separate mental health services and that the loss of a clear degree of autonomy within the mental health system in the last decade has not been beneficial. I am not sure about that because mental health is part of an overall health system and the move to integrate it into mainstream health services, which has occurred through what we call mainstreaming of acute services, was certainly regarded in the 1980s as a positive move. However, there is now an argument about how to deal with that issue, and I draw attention to the conflicting views of those who want separate mental health service administration and those who want it to be integrated into the mainstream health department. Nevertheless, we must focus on why psychiatrists are drifting to the private sector if we are to address the problem.

Secondly, we must improve the links between the private and public sectors. Perhaps the private sector can play a greater role in mental health administration and treatment. Perhaps the Medicare benefit schedule can be changed in regard to the way in which payments are currently made for consultation and not necessarily for case management. That may be a change we should consider. Perhaps general practitioners should be more involved in mental health. The Australian Medical Association has made moves in that direction and the Federal Government has been encouraging some innovative projects to make general practitioners more aware of the role they can play in the treatment of mental health, particularly in non-metropolitan areas of the State. The point I am trying to make is that the shortage of psychiatrists in the public sector is not just a numbers issue. In other words, this legislation may help increase the numbers of psychiatrists available to practise in the public sector. However, until the other issues are dealt with, such as the role and status of public sector psychiatrists, their relationship with the private and public sectors, the delivery of psychiatric services in conjunction with the role of the general practitioner and the professional and administrative support to public

sector psychiatrists, this legislation will not serve the purpose for which it is intended. This is not just about numbers; it is also about policy and the quality of the policy. I know the Minister believes he can use this Bill as an instrument to encourage more psychiatrists into the Western Australian public sector. The Opposition certainly supports him in that objective. However, as I said, unless he backs it up with good policy commitment to the public sector, he will not achieve the objective he wants.

I also take the opportunity while making this point to refer to a newspaper called *The Western Independent*. It is a quality newspaper put out by students at the Curtin University of Technology.

Mr Kierath: It depends on your point of view.

Dr GALLOP: Regardless of one's point of view, it is a quality newspaper. In June 1994 it had an informed and extensive article entitled "Psychiatric services face chronic doctor shortage". I think it made a significant contribution to the debate on mental health services and I congratulate the students and their staff for that newspaper and the article.

I refer now to country specialist services. An excellent report of a committee commissioned by the previous Minister for Health and chaired by Dr I.V. Lishman, which inquired into country specialist services in Western Australia, came to Government earlier this year.

Mr D.L. Smith: Dr Lishman is a very honourable man.

Dr GALLOP: It is an excellent report. I will refer to the conclusions in that report and how they relate to this legislation. Is Dr Lishman practising in the Bunbury area?

Mr D.L. Smith: Yes.

Dr GALLOP: The total number of specialists in Western Australia in the non-metropolitan area at 1 December 1993 was 76 residents and 185 providing a visiting service. The Lishman report said that there is a significant under-supply which will worsen over the next 10 years. I quote from page 3 of the report -

> There is no single specific valid measure of the adequate supply or otherwise of a portion of the medical workforce such as resident rural specialists. However, any of the individual indicators which may be used in total as a measure of adequacy point to significant areas of under-supply of rural specialists in WA.
>
> There is also evidence to suggest that this under-supply may continue and worsen over the next 10 years.

Indeed from 1987 to 1992, 46 general practitioners, but only six resident rural specialists went to the country. We have a major problem, which was the reason for setting up this committee of inquiry into country specialist services in Western Australia which brought down its report in March. Why did those who wrote this report conclude that we have a worsening crisis? It is interesting to examine the committee's evidence of that. It conducted a questionnaire which received an excellent 88 per cent response. Only 60 per cent of those rural specialists who responded indicated that they proposed to remain in the country service for more than five years and 40 per cent indicated an intention to leave. Fifty per cent of that 40 per cent was due to impending retirement and 25 per cent was due to a desire to return to Perth. The committee said that it was concerned that unless there was an infusion of new specialists to country areas as a result of addressing the problem and adopting the recommendations in this report, country specialist practices would decline relative to the population. That will place added strain on remaining specialists and general practitioners.

The second thing the inquiry discovered was that the number of women medical graduates from the University of Western Australia is increasing. This is, of course, a very progressive and important development. Unfortunately, of the 76 specialists who are currently resident in the country, only six are women, which indicates a very severe shortage of women specialists in the country. Therefore, we must not only deal with the problem of the general shortage but also examine the shortage of women specialists.

What did the committee find is the key factor? This is certainly similar to the discussion about psychiatrists in the public sector. The common theme that came through regarding attracting and attaining rural specialists was -

> It was clear that the most important factor . . . was access to continuing medical education and the maintenance of professional skills. Without such access, rural country specialists would need to return to practice in the metropolitan area to ensure continuing professional development and the acquisition of new skills.

The professional status, the links they have with further education and training, and the links with the rest of their profession so that they can keep up to date, are the issues that must be addressed. Again, the problems do not relate only to numbers; it is also a matter of policy.

I now have a confession to make. The next segment of my speech, which was written on the weekend, was going to criticise the Government for not adopting some of the recommendations in this report. However, in the mail on Monday I received the latest edition of *Healthway*, the Health Department journal, in which an article indicates that the Government has put money into the major recommendations of this report. We must applaud the Government for doing that. It is to provide locum support to allow at least one week per annum of continuing education and to allow for rural locums and support services for those requiring holiday relief.

Mr Bloffwitch: Something very much appreciated.

Dr GALLOP: This is already done for general practitioners. The Government has contributed, I think, $350 000 to provide locum support for specialists. That will be done through the WA Centre for Remote and Rural Medicine. I think the Government has moved very rapidly in relation to the major recommendations of this report and it should be applauded for doing that.

Other recommendations are made that are important and are fairly simple to implement. One of them is to establish regional coordinators in the major specialties. Where there is more than one specialist in place, that position can be rotated. This is to promote the specialists in the rural areas and encourage integration with the rest of the health system. What does the report say again? It is not just about numbers; it is also about policy and resources. Even though we should conclude that the legislation will play a role, we can be under no illusion that it is the end of the matter. However, I am pleased to note that the Government has committed $350 000 to support the development of locum services for medical specialists in rural Western Australia. They are the issues related to psychiatrists and specialists. This legislation could play a positive role in that issue. However, it will ultimately depend upon the way the Medical Board and the Minister administer the powers that are given to them by this legislation. Some of the other speakers in this debate will point out difficulties that will arise if the powers that are given under the legislation are utilised in a way that may act as a disincentive for doctors to be attracted to and stay in rural areas.

Another issue dealt with by this Bill is an increase in the size of the Medical Board. I want to severely criticise the second reading speech on this Bill. The Minister said in his second reading speech -

> This Bill also makes some minor changes such as increasing the number of members of the Medical Board from nine to 11; the additional members will be medical practitioners. The Bill requires medical practitioners to supply particulars to the board; and the changing of the date for the annual fees so as to bring this State into line with other States.

I do not think that is good enough. This Bill increases the size of the Medical Board and gives it a very important role to play in the administration of the provisions of the Bill, but no explanation is given for the increase in the size of the board. The Government should have a close look at its second reading speeches. It is very important that second reading speeches outline clearly to the Parliament the reasons for legislation. Having contacted the Australian Medical Association, I understand there are two reasons for its

wanting increased representation. I will put them on the record now, given that they are not in the Minister's second reading speech. First, an increasing amount of time is involved in Medical Board issues and an increasing frequency of meetings. This is placing pressure on the medical practitioners who participate in the work of the board. That is so for one reason: There is an increasing awareness among consumers of medical services about their rights and many of those consumers are going to the Medical Board. They can go to their local member of Parliament, their health consumers forum, the Minister, or the Medical Board. However, the reason there is increasing pressure on the Medical Board is that the Government has not introduced the health service providers conciliation and review Bill.

That legislation should have gone through this Parliament earlier this year so that, like Victoria and New South Wales, we would have a proper conciliation and review process in place for people to take their complaints about the health services they are given. That is the missing link in the accountability chain of the health system in Western Australia. That is why there is pressure on the Medical Board and that is why the AMA has asked the Government for more representation. If the Government put that request in the context of a lack of the health conciliation and review process, it might not have been necessary for it to increase the size of the Medical Board.

The second reason the AMA gave for wanting to increase the size of the Medical Board is that it wants a broader range of representation on the board. At present there are five medical practitioners on the board and the number is being increased to seven. The AMA has asked for a range of specialties on the board because of the complicated nature of some of the issues that are faced. The AMA said that the board should have a proper width of knowledge to deal with matters that arise. From a strictly trade union point of view, that is a legitimate request to make of the Government so that there is a wide range of interests on the Medical Board. However, as I said, there is no real analysis in this second reading speech of the functioning of the Medical Board, where the Government sees the position of the board within the health system and how the board might alter if the health services conciliation and review Bill were in place. I think that is the missing link at the moment in health accountability in Western Australia. Perhaps if we were debating that Bill, we would not have to increase the size of the Medical Board. I trust that the Government will take on board what I have said about the paucity of argument in its second reading speech.

It is important that, in second reading speeches, the problems we are addressing are clearly analysed and that Ministers justify the changes they are making. I know that some of the speakers on this side of the House want to examine the Medical Board and the way it works and they want to question whether the role that it currently plays is adequate to the tasks that are being put before it. Although I have expressed my disappointment with the second reading speech and with the lack of a health services providers conciliation and review process in this State, I feel that this legislation, in general terms, will take us one step forward.

The Medical Amendment Bill overcomes a problem arising from the different standards of entry into Western Australia of doctors from overseas now that we are moving into an era of mutual recognition. It brings Western Australia into the world of mutual recognition so that doctors from the other States can come here if they are properly registered. It also includes within its framework recognition of the areas of unmet need and the ability to have conditional representation to meet those needs. It does that, however, without providing any clear statement about how that power will be used by the Government. That concerns me. The Minister should have made it clear how he will administer the powers that he is given and the way that he expects the Medical Board to administer the powers that it is given because the legislation may not solve the problem that he wants it to solve.

I also made the point that there is a lack of appeal mechanisms for those who feel aggrieved by decisions of the Medical Board. That contrasts with the Victorian medical practitioners Act. I also indicated that, in relation to the shortage of psychiatrists and specialists, it is not about numbers but it is about policy, resources and commitment. We

should not think that this legislation will be a magic cure because it is not. Unless the Government backs it up with a plan of action to deal with the shortage of medical practitioners in rural areas and the psychiatrist shortage in the public sector it will do nothing more than chip away at the edges of the problem. The real weakness in this Bill in relation to the increased size of the Medical Board is that we are debating it in the wrong Bill. We should have had the Health Services (Conciliation and Review) Bill before the Parliament so that Western Australia health consumers could be given the same rights as those in Victoria and New South Wales.

DR HAMES (Dianella) [8.50 pm]: I thank the shadow Minister for Health for the details he provided which I had assumed would account for three-quarters of his speech but which ended up making up only about one-quarter of it. I went through *Hansard* and looked at the presentation of this Bill by the Minister for Health in the other place. I do not think the Minister did it any better than the shadow Minister who seemed to have all of the details and explanations at his fingertips. For the rest of the time the shadow Minister tended to wander, sometimes quite a long way, from the legislation.

Mr D.L. Smith: I do not think too many in the House would agree with you there.

Dr HAMES: I think the member will find that the majority of the members will agree with me, and I am prepared to put it to a vote. The issues raised by the shadow Minister were very important. I agree with most of what he said about the difficulties that are experienced in attracting doctors to rural areas and to particular professions.

It is true that the Health Services (Conciliation and Review) Bill is an important one. We have been waiting for it for a long time and it would have been here already had members like me not had some concerns with the details of it and felt that some things needed to be tidied up. As soon as those problems have been addressed the legislation will be in the Chamber in a flash.

Dr Gallop: I bet those problems that you were addressing did not have anything to do with the original framework of the legislation. Is that true?

Dr HAMES: I would rather not comment on that because I cannot tell a lie. I have been waiting for this legislation to come to the House for a long time. I do not mean since four o'clock this afternoon when we expected to discuss it - my guests who have been here since then have now returned to hear this debate - but for more than a year. Over a year ago my guest, who is here tonight, asked me for help to get registered in Western Australia. At that time we hoped the mutual recognition legislation was about to be brought to Parliament by our Government. After discussions with the Attorney General, it appeared that that was imminent. However, as time went by, that prospect moved further into the distance and now a committee is looking at uniform legislation, and that will address the mutual recognition component for all other professions.

I was very pleased that the Minister for Health was able to bring forward this legislation which addresses the needs of doctors in this State. This legislation covers three major areas: Firstly, it stops doctors who originate from the United Kingdom and Ireland from gaining automatic registration in Western Australia; secondly, it provides conditional registration in special areas of unmet need; and, thirdly, it provides for doctors who were registered in other States to be registered and to practise in Western Australia.

I refer to the first of these three points. The removal of the automatic registration of doctors from the United Kingdom and Ireland would appear to be reasonably harsh, given our traditional ties to what in a friendly way could be referred to as the home country.

Mr D.L. Smith: Not many people in here would agree with that.

Dr HAMES: We should not forget that our Prime Minister's family came from Ireland. Many doctors came to Western Australia. With an oversupply in doctors trained in Western Australia, this created a glut of medical practitioners in the metropolitan area. There was no glut in country areas and there was great difficulty in moving doctors from the metropolitan area to the country areas. I will go into some detail about that, which will mostly support the comments made by the shadow Minister. Nevertheless, those

doctors no longer will be able to gain automatic entry to Western Australia. To some extent this will address the difficulties we have had with the oversupply of doctors in the metropolitan area.

The second point relates to the conditional registration of doctors for special needs. This is a very important aspect of the legislation. It will allow doctors to be registered on a conditional basis only for areas where there is unmet need. In some cases that applies in the country for both general practitioners and specialists. It will allow doctors from countries, such as the United Kingdom, Ireland, Asia and South Africa, to be registered on a conditional basis in Western Australia, provided they go to areas of unmet need which in most cases are in rural towns. To some extent that will address the enormous problems that rural towns have in attracting doctors.

It will also address areas of need in the metropolitan area. The shadow Minister mentioned psychiatrists in particular, but mostly in the public sector. I can inform him that there is a shortage of psychiatrists in other areas. Perhaps he has been informed that there are plenty of them in private practice in the metropolitan area. However, whenever I want a patient to see a psychiatrist it is particularly difficult to find one available. It is even more so in other specialties, especially dermatology. Sometimes a client with a problem that requires specialist attention must wait three or four weeks to see the specialist. When there is an urgent need for assessment, those patients can be seen within a day or two. The specialists can cope with that load only by working for 12 or more hours a day, usually starting at seven in the morning and finishing at seven or later in the evening, which enables them to see all of the patients referred to them by general practitioners.

The third problem - this is the part in the passage of the legislation that my guests are here to witness - relates to where doctors who are registered in other States cannot be registered and practise in Western Australia. The doctor who is one of my guests is married to a radiologist. When they immigrated to Australia from South Africa, she was able to register in Tasmania and practise there with a doctor in a medical practice, and her husband practised as a radiographer. At some stage they decided to move to Western Australia. When I was speaking to them this evening to find out why they moved here, the husband said that he was not quite sure and the wife said that it was because it was too cold in Tasmania. I can appreciate that. That is the way decisions are often made in our families. Normally the wife knows exactly what she is doing and the reason for the change, and the husband is not quite sure why it happened, but at the end of the day ends up moving. Because Western Australia is not involved in mutual recognition legislation, unlike every other State, this doctor is able to be registered and work in every other State except Western Australia.

This legislation will allow her, after waiting for a year and a half, to practise as a doctor in this State. I can tell members that there is still a big demand for female doctors in the metropolitan area. That is apparent in the northern suburbs. People are already vying for her services and there will be no lack of opportunity for her to gain employment once this legislation is passed.

Mr D.L. Smith: And especially in country areas, both for specialists and general practitioners.

Dr HAMES: That is right. Perhaps this is an appropriate time for me to talk briefly about the difficulties in country areas. My father was a country doctor for 15 years or more. He went into general practice after doing a one year internship at Royal Perth Hospital, which was permitted in those days, and he ended up doing relatively major surgical procedures such as Caesarean sections and the more minor tonsillectomies, adenoidectomies and appendicectomies. The difference between that time and when I graduated is enormous. The difference is in the type of training the doctors were given. I was trained in general medicine, paediatrics, obstetrics and anaesthetics. Therefore, I was competent in those areas, but only as a result of the degree of training, which was nowhere near as intense as that of doctors in my father's day, and it nowhere near prepared me for adequate medical practice in country areas.

I did three months in Bunbury and six months in Geraldton, but in towns like that doctors have the protection of the many other medical practitioners and specialists in the area. It is in the smaller towns where doctors must practise alone that difficulties arise. Many doctors are scared to go to the country environment because once they get there they are responsible for absolutely everything. Anything can go wrong; they can be faced with a major medical emergency, and the management of anaesthetics or obstetrics can land in their laps. People in country areas have an expectation that the doctor will handle those situations. It is not just an expectation that they will do that in normal practice hours but that they will be available at any hour of the day or night.

One of the situations that frightens doctors newly out of the hospital environment is that they will go to a country town and be responsible for everything, and they will have an enormous weight on their shoulders. Insurance is a huge burden for doctors, particularly those who handle anaesthetics and obstetrics. They cannot go out in the evening and have a drink. They cannot relax because of the enormous responsibility that any time of the day or night they might be called for a major medical emergency. That is the difficulty in getting doctors to go to country areas when at the same time they can go to the city and have a relatively quiet medical practice where their after hours' service is covered by locums, and they can pick and choose the type of medicine they will practise and the degree of stress they put themselves under.

Big problems are faced by doctors and they are being addressed by the committees that have been set up. The lack of doctor to doctor communication and the inability to undertake ongoing training are important aspects that must be addressed. We must address changes to the selection system for medical trainees. Currently one must be a Rhodes scholar like the shadow Minister for Health to get into medicine, rather than a person with a more practical experience of life. Perhaps people brought up in country areas should be selected as medical trainees so that when they finish their training they will be more likely to go to country towns.

The shadow Minister made a few complaints. He said that the Minister for Health should have outlined in detail the plans for the system and how the Medical Board would operate. I contend that it is not possible or practical for him to do so because in defining and determining areas of unmet need there will be a divergence of requirements. The difficulty is knowing in advance what the requirements will be and how they will be processed. It is reasonable for us to wait and see how the system progresses. If difficulties occur in future nothing will hinder the Minister introducing further legislation to correct the situation, if that is required. The system is yet to be set up, and it is not possible for the Minister to do that yet. It is entirely reasonable for the Medical Board and the colleges to make decisions because although the Minister can indicate areas of unmet need, only the board can scrutinise qualifications of doctors applying from all over the world to determine if they have the required skills to provide a service. Many country people say that although they are happy to have doctors coming in from overseas, they do not want doctors practising in their areas who do not have suitable qualifications or who would not be able to practise in the city because they are not good enough. They do not want second-class doctors practising in their towns. That is the last thing that country towns need; they need a high level of expertise.

Another issue needs clarification. Doctors can move from conditional registration to unconditional registration after two years. The matter was raised with me by the member for Bunbury, who said that after doctors have worked conditionally in country towns for two years they are entitled to be registered unconditionally, and people expect them to uproot themselves and move to the city. I was not aware that was the case. I turned to the second reading speech, which states that a person who obtains continuing special conditional registration will be eligible after two years' practice and residence to transfer to unconditional registration. I understand that is the case only for doctors who have been given conditional registration in relation to the differential between those who came in 1992 -

An Opposition member: Prior to assent to the legislation.

Dr HAMES: There was some misunderstanding there. That was not clear in the second reading speech. Although I understand that is the case it should be clarified at the Committee stage.

I am extremely pleased that this Bill has finally come before this House. I understand that once the Bill is passed it will require the consent of the Governor, and I hope that will occur within the next fortnight. Clause 2 of the Bill states that proposed sections 7 to 12 will come into operation on the twenty-eighth day after the day on which the Act receives the Royal assent; that is, at the end of the year, following proclamation the Act will be in force, and my good friend the doctor from South Africa will be able to settle down and return to medical practice. I commend the Bill to the House.

MR PENDAL (South Perth) [9.08 pm]: I support the Bill. My interest in the whole principle of mutual recognition has been sharpened somewhat because of the work of the Standing Committee on Intergovernmental Agreements and Uniform Legislation Schemes which I chaired, and which ironically brought to this House only a few weeks ago a substantial report in which it recommended that Western Australia join the wider mutual recognition scheme. One of the things that the Bill before the House may help to do is alleviate the fears of the members who have expressed in the past some concerns about the principle of mutual recognition. It has often been the case that some members of the House have seen the principle of mutual recognition as some other form of centralism or some other form by which the Federal Government imposes its will on other parts of Australia. In fact, as the report tabled by the standing committee several weeks ago made clear, mutual recognition obviates the need for uniform legislation. In effect, what we would be doing if we were to follow this Bill and the recommendations of the report is not to bring about uniformity of qualification in Australia, but something quite different. This legislation will bring about a recognition of other jurisdictions' standards even though those standards may be different from our own. Of course, that cuts both ways as a natural consequence of using the word "mutual".

This is a good occasion to bring home to members of both Houses that the process and concept of mutual recognition is something we should encourage in Australia because it does the very reverse of what people sometimes fear it does; that is, it obviates the need for centralism or uniformity. A well regarded constituent of mine, Professor Peter Burvill from the department of psychiatry and behavioural science at the University of Western Australia, has brought to my attention in recent weeks that now this Bill has passed the upper House, it is imperative that it clear this House before the end of the year. Professor Burvill was able to explain to me that the Bill is of major importance to UWA's department of psychiatry and behavioural science. He pointed out that Professor Bob McKelvey from the United States had been appointed by the UWA to a new chair of child and adolescent psychiatry and that clearly it is an important appointment for the delivery of child psychiatry services in Western Australia. This matter is of direct interest to members of the House because the position is being funded by the Western Australian Government via the State Health Department. In a letter to me dated 2 November Professor Burvill stresses the urgency for the Bill to be passed, and says he fears that unless it does pass by the end of the year, and thereby enable Professor McKelvey to obtain full registration with the Medical Board of Western Australia, his appointment to that new position funded by the State Government will be jeopardised. He explains that a suitable replacement would not be easy to obtain, given the worldwide shortage of senior academics in child psychiatry.

I want to bring home to members that we are dealing with real life situations, as were the member for Dianella and previous speakers, and we are not arguing an abstract position. It seems odd that the Bill will confer on the Medical Board the power of discretion to permit conditional registration. At least two parts of the legislation - new section 11AF(1)B, medical teaching, and new section 11AF(1)F, foreign specialist qualifications and experience, further training - refer to conditional registration being applied. It must be somewhat galling to people of such international eminence to fall into that category of being given conditional recognition for their qualifications. It seems an inadequate response on the part of a receiving country that it is the best we can do for people who

are of considerable eminence in their field. I thank Professor Burvill for drawing the matter to my attention. I urge members to accept the advice he and others give for the early passage of this Bill so that we do not frighten away some of the most eminent and highly qualified medical practitioners from practising in Western Australia. I add my support for the Bill.

MR D.L. SMITH (Mitchell) [9.15 pm]: I support the basic intent of this legislation. Firstly, the Bill contains uniform requirements for entry to the medical profession throughout Australia. That is being done in relation to all professions and trades. I entirely support that concept. Wherever one is in Australia, generally one should be confident that the person who claims to be qualified has a commonality of training experience and professional skill with any other person giving that professional assistance anywhere in Australia. Secondly, the Bill moves towards mutual recognition between the States in their various admission requirements. That enables Australians to move around the country easily and to be able to continue their occupation or profession wherever they go. As Australians we should also welcome that. Thirdly, one of its objectives is to encourage or provide some room to meet the unmet need for medical services in country areas generally, and in some other areas. The issue to which I primarily address my remarks is whether the Bill achieves the third of those objectives. In my view and in the view of the largest medical practice in the City of Bunbury, it does not.

I will begin by reading a letter from that practice of 18 doctors in Bunbury who provide services to 70 per cent of the population. It states -

> We are contacting you to ensure you are aware of a pressing problem enlarging in country areas of the State and the Bunbury area particularly.
>
> It is our understanding that there is a Bill before Parliament which will make it virtually impossible to gain representation for overseas doctors to work in our area.
>
> We want to make it very clear that this represents a major threat for us and the provider of medical services here.
>
> We are told repeatedly that there is a medical manpower oversupply in Australia. This may be so, but it is a large myth in our area as both Bunbury and Mandurah are crying out for doctors.
>
> As we recently worked in general practices in the northern metro suburbs, I am also aware that many practices in Perth are advertising for doctors too, so what chance do we have?
>
> We have for many years found it extremely difficult to attract local graduates and if the opportunity to employ overseas graduates disappears, we will be severely disadvantaged.
>
> Our practice specifically is likely to experience a sharp contraction in numbers due to retirement over the next two years and this is an environment of heavy and increasing demand as well as increasing costs and legal pressures.
>
> You must also consider that if a doctor becomes too stressed, he may opt to go to the city, further accelerating the situation which a recent survey has predicted will result in a crisis of care delivery within a few years.
>
> We urge you to block this move with all means available to you to avert a serious situation developing with unpleasant consequences for ourselves the local community and yourself.
>
> We hope to have the opportunity of putting our case to you in person in the very near future.

That was signed by Dr Tony Higham on behalf of himself and Dr Manea. I have since met with Dr Rod Mason and other doctors from that practice to discuss their concerns. One might wonder why it is that doctors from a country practice as large as theirs in one

of the most attractive areas in Western Australia say that the Bill will not only not achieve its objective, but will prevent that objective from being achieved. They told me of their recent experience where, partly in order to satisfy the immigration requirements, they advertised nationally for a doctor to join their practice within Australia. They received three replies to their national advertisement. They brought all three of the applicants to Western Australia to interview them. One made it clear that he had a relative in Western Australia, and he was looking for a cheap trip, and that now he had it he was not interested in the job and he was going back. The second had a number of problems and it simply did not suit him to come to the practice. The third initially said that he was interested, but later confirmed he was no longer interested in coming to Bunbury or to Western Australia. When a national advertisement elicits only three responses, it is a fair indication there is not an oversupply of medical practitioners - certainly in so far as it affects regional and country areas. Their concern is that if they were able to convince the Minister to declare Bunbury an area of unmet need, when they started to look overseas, as they usually do, to find a practitioner to join them they would have to inform him that he would receive only conditional registration to practise in the area of unmet need, and that no facility existed within this legislation for that doctor at any time to move to full registration without repassing examinations. As has been indicated by the member for Dianella, the only provision in this legislation which allows those who are conditionally registered to move to full registration is if their name appeared on the separate register prior to the assent to this Bill. The practice in Bunbury will not be able to give any guarantee to potential applicants, if they went through the process involved in making their application to the board for conditional registration, that they will ever be able to move to full registration. The result of that is that very few well qualified and skilful people from overseas will come to Western Australia in the knowledge that they must stay and practise in a particular area of Western Australia, which is thought to be an area of unmet need.

The experience has been that quite a few practitioners who go to country areas and work for up to five years in those areas providing valuable service then feel free to move on to wherever they wish to practise within Western Australia or elsewhere. That will no longer be the case. Those doctors will come to Western Australia with the full knowledge that if they are accepted for conditional registration it will be to work only in the area of unmet need. The member for Victoria Park, in what I thought was a brilliant exposition of this legislation, made it clear that this legislation does not define the criteria to be used by the Minister in determining what is an unmet need. One of my concerns is that a city like Bunbury may move from being an area of unmet need to being an area of fully met need. It may be that with the growth in the number of Australian graduates becoming doctors and specialists, enough will move to Bunbury to meet its need. Will the Minister then declare Bunbury an area of met need? What will the doctor who has joined Foster and Associates do when Bunbury moves from an area of unmet need to met need? Does he shift somewhere else, and must the doctors who have become his partners use whatever means they can to pay him out and assist him to go wherever he wants to go? Those doctors say that this legislation will make it a lot harder for them to attract doctors. If it will be harder to attract doctors to Bunbury, it will be much harder to get doctors into those more remote and isolated areas of Western Australia where the professional and personal life could not match that in Bunbury or Perth. The obvious way for that problem to be overcome is for an amendment to this legislation which guarantees that after a certain period of satisfactory service, that doctor can apply for unconditional registration. On my reading of this Bill, or the original Act, no provision exists which would allow that to be the case in the future. Of course, they will want some certainty attached to that. They will not want to come on the off chance that they may be able to get unconditional registration later on. I am certain that they will be willing to back their own professional skill. I am certain that if there were a reasonable requirement for further professional training within Australia during the period of service in the area of unmet need, they would be happy to meet those challenges, but having done the service they should be given some relief such as not having to repass a full examination. Having met the challenges of a period of service, of making sure that on

any reasonable measurement they are seen to have the professional skills required to practise generally, and having met any formal requirement for additional training and the like, they should be given full and unconditional registration within Western Australia without the requirement to resit and pass examinations.

The Minister and others may argue that it is open to the board to impose conditions on the registration, and allow conditional registration to lead to full registration, but that is not the case. It is clear that in the area of medical teaching, medical research, unmet areas of need and so on, the registration is only for that purpose: In the case of medical teaching, of enabling a person to fill a medical teaching position; in the case of medical research, of enabling a person to fill a medical research position; in the case of an unmet area of need, of enabling that need to be met if the person has suitable qualifications and experience to practise medicine in that area of need, and so on. The member for South Perth wishes to bring Professor Burvill's academic to Western Australia. It has not been uncommon for academics in Western Australia to supplement their income by treating patients. I do not know in the case of the academic whom Mr Pendal and Professor Burvill wish to bring to Western Australia whether that academic would receive a registration for the purposes of filling that teaching position, and whether that person would be able to perform the other contractual requirements that are normally attached to his academic position of treating patients. I heard an aside tonight from the member for Floreat that we might, for instance, have a professor of psychiatry at Harvard who might want to come to Western Australia on sabbatical or permanently to teach people who will eventually attain full registration. On my reading of the legislation, that person would never be able to obtain full registration so that he could treat patients - even though he is teaching those who will treat patients. It is another area of this Bill which is lacking and it needs further consideration before the Bill is debated in Committee. If there is some urgency to get this Bill through the Parliament perhaps the Minister for Health and Parliamentary Counsel could urgently address the issues that need consideration.

Mr Pendal: It may be that the entry into mutual recognition per se would overcome the problem.

Mr D.L. SMITH: I am not certain it would. Written advice should be obtained from Parliamentary Counsel on whether the practice in Bunbury is correct in its belief and that a practitioner cannot move from conditional registration to full registration under these arrangements, and the problem of the academic to whom the member for South Perth referred might be of a similar nature.

While on the issue of country practice and the unmet need in country areas, I congratulate Mr Lishman for his report to which the member for Victoria Park referred. One of the advantages of having good doctors set up practices in country areas is that they bring with them not only their professional skills, but also their personal skills. Bunbury has been very fortunate because Mr Lishman has performed a range of tasks outside his profession which have contributed enormously to Bunbury, especially to Bunbury Cathedral Grammar School. I am sure he would not want me to talk about his contribution to other organisations in that town about which the Bunbury residents know.

I will raise another issue which I am told by the Bunbury practice is affecting it and will affect the attractiveness of country practice to many doctors; that is, the delay which is being experienced in negotiating a new agreement with the Minister for Health for services provided at non-teaching hospitals, which are generally those hospitals in the country or outer metropolitan regions. Again, I will quote from a paper which was given to me by the Bunbury practice. It states -

> The agreement between the AMA and the State Government has evolved over a period of time specifically for rural and metropolitan non teaching hospitals in Western Australia to meet the community, profession and Government's needs.

Further on it states -

> Under the Minister's current proposals, neither the community or the profession would be well served. The Government also runs the risk itself of a political

> backlash should its reforms backfire. It is a bold, unproven experiment with substantial risks to the Government.

The paper goes on to refer to reforms and whether they are necessary. It shows by way of a schedule that the medical costs in Western Australia compare well with the other States and are the second lowest, being only slightly higher than those in Queensland.

Dr Gallop: Is that the KPMG study?

Mr D.L. SMITH: Yes. It notes that medically, Western Australia is very efficient. The problem is the size of the bureaucracy, among other things, and being a country person I agree. The paper continues -

> Under the Funder/Owner/Purchaser/Provider (FOPP) split arrangement ... the Public Health System will be purchasing from itself through annual contracts with provider units (eg hospitals).
>
> Similar arrangements in Victoria and the UK have led to closures/rationalisation.
>
> In addition, the concept of annualised contracts is sought to be extended to doctors which:
>
> (a) Introduces inherent instability for the recruitment and retention of medical services in outer metropolitan and rural regions.
>
> (b) Provides the opportunity for certain specialty groups or individuals to demand higher prices for their services.
>
> The AMA/Government Agreement has been a professional/industrial agreement which has:
>
> 1. Facilitated service provision without industrial action.
>
> 2. Enabled patrons to have access to medical services in their own community hospital.
>
> 3. Provided certainty as to medical cost per service.
>
> 4. Provided stability/certainty contributing to enabling doctors and their families to enter and/or remain in country or outer metropolitan practice.
>
> ... The AMA has sought to renew and update the Agreement to address current needs to the mutual satisfaction of the Government and profession and the patients they serve. Rather than negotiating however, to explore cost implications and reach a realistic outcome addressing the Governments financial position and also stagger changes where appropriate, the Minister has, despite the AMA seeking to negotiate since January and agreement in July to negotiate, not complied with his own process which provided for sharing of information evaluating of costs (serious errors were found in preliminary teaching hospitals costings) and seeking to develop a consensus package. The only costing provided to the Association did not relate to the Non Teaching Hospitals Agreement were fundamentally flawed and had to be revised. As a consequence of the delays by the Minister in commencing and subsequent discontinuance of the process, and the uncertainty and mistrust this and other actions have engendered medical practitioners have no contracts in place which will ensure services are provided after 1 January 1995.
>
> Recent statements by the Minister over the Associations claims are grossly inaccurate and along with Mr Foss's suggestions in relation to the Health Conciliation Bill that the Association had breached confidentiality by advising its members when his letter on that Bill unequivocally stated that the Bill has now been released for "public comment" are a matter of major concern for the profession in terms of its relationship with the Minister.

If that agreement cannot be negotiated in a satisfactory way, service by doctors in country areas will be less attractive than it is now. It is in complete contradiction of what is said to be one of the objectives of this Bill. The question of medical services in

country areas has been something of extreme interest to me for many years. I was dismayed when I first became a member of Parliament to find that effectively there were no psychiatric services in Bunbury. I was pleased to be able to persuade the then Minister for Health, despite objections from within the Health Department, to set up a mental health team in Bunbury. We were warned at the time that we would experience substantial difficulty in attracting to Bunbury people with the required psychiatric skills because they were in very short demand and the department could not fill many of the positions in the metropolitan area. Initially, that did not prove to be the case, but since the psychiatrist has left the public practice to go into private practice, thankfully within Bunbury, it has been difficult to fill his position. I suspect it will be filled in the future.

Why should people in country areas, especially the regional cities, find themselves in a situation of that kind? We should really be doing everything we can to attract people with the appropriate skills to rural Western Australia so that it has the best and most skilful treatment available. Country people recognise that they will never obtain equality with the city in the delivery of medical services. If there are areas of unmet need in any country area this Bill provides the facility to look interstate and overseas to find the people with the best skills and encourage them to come to Western Australia. That is one of the objectives of this Bill and was the reason that the previous Minister for Health initiated, partly as the result of the Australian Health Ministers' Advisory Council's action, the report by Mr Lishman into country specialists and other medical services. The steps taken to allocate $350 000 for a system of locum services demonstrates the Government is willing to follow up on that report.

Clearly at the same time by not checking this legislation, perhaps by not circulating it adequately among the country medical profession, we have finished up with a Bill which appears to be counterproductive and makes it harder to meet the unmet need in the country areas. I and the doctors of Bunbury may be wrong. I would like an answer to their concerns from the Minister handling the Bill in this place. At some stage I would like some advice through the Minister from parliamentary counsel as to their view of whether it may be possible for those with conditional registration to move to full registration; what the process is believed to be; and what certainty there will be for people to be confident that provided they meet certain requirements they can move to full registration without the basic requirement of an Australian or New Zealand qualification or repassing examinations, which seems to be the cornerstone for future admissions. What steps are being taken to resolve the issue currently experienced by the Australian Medical Association, practitioners in country areas and the Minister about what payments for hospital services there will be next year? That needs to be addressed urgently in favour of what the doctors want. I strongly believe that if the doctors do not get somewhere near to what they want we will find they will move back to the city. They will be no longer willing to undergo the additional pressures and provide the required additional services in country areas if their remuneration is not as much in many cases as it would be in metropolitan practices. Beyond that I do not wish to delay the House. I ask the Minister to earnestly consider the issues raised by the largest medical practice in Bunbury.

MR BROWN (Morley) [9.43 pm]: I wish to concentrate on what on the face of it appears to be a minor amendment with this Bill but one which requires some explanation because of its importance. I refer to clause 4, which seeks to expand the composition of the Medical Board. That expansion, as I read it, is by the addition of two members. That may be seen to be a fairly minor matter in the scheme of things and, indeed, the second reading speech makes only a fleeting reference to it towards the end. However, it is important to clarify exactly why the board will be extended because of the powers that the board has in ensuring that appropriate standards of conduct are maintained in the medical profession. I am sure the Minister will be aware of the board's current powers. Under section 6 of the Act the board has the power to regulate the manner for the making and the conduct of proceedings in connection with complaints and charges against medical practitioners alleged to be guilty of infamous or improper conduct in a professional respect. Under section 13 of the Act the board may determine cases where a

practitioner has operated or practised in an improper or unprofessional way. Where the board is of that view the board may remove the name of the medical practitioner from the register or take what other action it sees fit. That is a very significant role of the board, and therefore the inclusion of an additional two persons for some reason or another as yet unexplained has a bearing on the standards expected of the profession in Western Australia.

I refer to the important role of the board in judging matters of this nature, particularly where complaints are made about the standards of conduct or professionalism exercised by members of the profession. I will refer in this regard to correspondence that has been given to me about a doctor, the name of whom I gave to the Minister yesterday in relation to a number of questions on notice which I placed on the Notice Paper. This requires the attention of the Medical Board either in its present form or as extended. I have a letter describing a person's view of this practitioner. I will read it leaving out the names. It commences -

> Please do feel free to use this letter and any information I have already passed on to you.
>
> The name . . .

There appears the doctor's name. It continues -

> . . . was first introduced to me when . . . I appeared before a MEDICAL BOARD convened on the 2nd September, to determine whether I would be retired on medical grounds.

The letter goes on to state that at that attendance the writer was introduced to the doctor concerned, who was informed by another two doctors about where he was employed. The writer was also informed that the doctor in question was there attending as an observer. The writer was subsequently asked by the insurance company with which he had a claim to undergo a medical examination. His doctor, who is also a specialist, advised him not to undergo such an examination by this person. He goes on to describe the nature of the consultation he had with the doctor in question. He writes -

> The thirty minute so called medical examination was mainly . . .

There is the name of the doctor. It continues -

> . . . standing up and shouting at me, very angry that I should question their ability, threatened me with legal action, I should drop the case and that I was motivated by revenge.

That is quite a serious allegation and not the only one that I will refer to in the course of this speech. The writer then goes on to say that some years ago he drew this matter to the attention of the then Opposition Leader, Barry MacKinnon, and requested that the matter be investigated. In these cases of insurance claims related to either workers' compensation or motor vehicle accidents the insurers have the right to refer an injured person to a doctor of their choice. The injured person is referred to this doctor for a second opinion. On the basis of that opinion an insurer can exercise its discretion to determine whether it will accept that the injured person has been injured in the accident referred to. If it determines that the person has been injured in some other way, compensation may be refused. It is said that medical reports issued by specialists to insurers, particularly specialists engaged by insurers, are very important in a number of respects. They are important with regard to any prospect of a claim being successful, but also they are important to the self-esteem and wellbeing of the individuals concerned because they are commented upon by the specialist. I refer to a number of specialist reports from this doctor who has a penchant for saying in many instances that people who have been referred to him have a sick role; that is, he disagrees with other doctors and specialists, and claims on numerous occasions that individuals referred to him have no psychiatric illness as such, but rather they have adopted a sick role. I refer to some of the reports this doctor has written after examining individuals referred to him by insurers. In one report he wrote -

> but there was no evidence of any circumscribed major psychiatric disorder. He could best be described as 'emotionally brittle'.

He later wrote -

> The fact that he chose to make a major issue out of his personal dissatisfaction is, in my opinion, more a reflection of his personality make-up and free choice in the matter.

I will not quote all the report but it clearly rejected the view that the person had any disorder as a consequence of the injuries he sustained. It stated rather that it was the person's own fault and the problems were caused by his personal make-up. In another letter the same specialist referred to opinions from two other well respected specialists and disagreed strongly with their views. He made a number of observations and stated about that person -

> Despite his anger and hostility, I could find no evidence that he was suffering from any specific psychiatric disorder. . . .
>
> Reflexes were mildly exaggerated in a manner consistent with his emotional arousal.

Under the heading of "Opinion" he wrote -

> I could find no evidence that Mr . . . was currently suffering from any clinically psychiatric disorder.

Later he wrote -

> In my opinion, it is very likely that most of Mr . . .'s physical and psychological complaints since the time of his work accident, have been expressions of conflict and unsatisfactory interpersonal relationships between Mr . . ., his employers, insurers and other people.
>
> In my opinion, this whole case has become bogged down in an unproductive stalemate created by hostilities and conflicts and not by any medical illness. Although diagnosed as suffering from major depression by Doctors . . ., I have reservations about this diagnosis and note that he failed to respond satisfactorily to any treatment prescribed.

In the penultimate paragraph of the letter the specialist states -

> I think his problem is anger and a sense of injustice - not any psychiatric illness - and I would regard his presentation more generally as an expression of his disgruntlement in the language of physical complaints.

One could not find a much more unsatisfactory opinion against a person than that report, which suggested that the person was making it up. The specialist stated that the person did not have a real psychiatric problem but rather he was disgruntled. To make sure the pattern is understood, I quote from a further report by this specialist under the heading "Examination" -

> Mr . . . presented as a somewhat overweight, mildly agitated and anxious 36 year old man. At different times during the interview he became dramatically emotional and weepy but could regain his composure quickly. There was no evidence of sustained depression of mood and there was an undeniably dramatic quality to his emotional outbursts. I did not think that he was depressed in a clinical sense and there was no evidence of any other syndrome disorder.

Later he makes the following observation under the heading "Opinion" -

> I think it is patently obvious that Mr . . . lapsed into a sick role which has become compounded by the medico-legal process or "merry-go-round" as he calls it.

Again, it is a further opinion from the same specialist that yet another person has lapsed into this so-called sick role. I refer briefly to a further opinion from that specialist under the heading "Clinical History" -

> Mrs . . . gave a history of having developed symptoms suggestive of repetitive strain or overuse syndrome, while working as a data entry operator for . . .

Under the heading "Opinion" the specialist states -

> I think all the available evidence points strongly to the fact that Mrs . . . has adopted the role of invalid and has become trapped in this role.

How surprising. Yet again, the specialist makes the same analysis. Under item 4 of the opinion he states -

> I find it difficult to accept that Mrs . . . has not experienced personal or work related conflict that has led to her adopting the role of invalid. There are vague suggestions of possibly longstanding and more recent problems. In the distant past she sought psychological counselling for her 'hyperactive child' and possibly there were further problems.

What a hypothesis! No evidence is given for that statement of "possibly there were further problems". The opinions to which I have referred from this specialist are not the only ones available; they are simply a sample of those available. They clearly show that this doctor has a view of the world which on numerous occasions is different from that of other specialists and medical practitioners in that field. Curiously, this practitioner is engaged by insurers, who may want to avoid paying compensation to persons who are injured. It is amazing to see that pattern time and time again. I will describe in greater detail some of the mannerisms of this person.

I refer to a further letter from a person referred to the specialist by an insurer. This person describes in considerable detail the nature of her examination by this doctor. The letter is particularly pertinent, and I will quote it in part -

> I had professional diagnoses done by two reputable psychiatrists, both of whom agreed that my situation at work caused my health to deteriorate. Both . . saw me for a combined total time of eleven hours before making their first reports to . . . My employer, while denying that my illness was work-related, was paying for my treatment and a rehabilitation program.
>
> . . . sent me to their own psychiatrist . . . who saw me for exactly twenty minutes. During the interview he intimidated me by hitting a large stick on his hand as though he was going to strike me next. Everytime I spoke about something that made me cry, he laughed as though it was a joke. After this, he wrote a lengthy report on me, copying all of my employer's allegations against me as though they were undisputed facts. He did not include any of my allegations against my employer in his report.
>
> On the strength of this one report, . . . rejected my claim for worker's compensation.

She states later -

> Needless to say, I was devastated by such obviously unfair treatment and I lodged an appeal at once. My mental health got significantly worse and I was preoccupied with thoughts of suicide. The only thing that stopped me killing myself was that I wanted to be certain that no one could find me in time to revive me. Even now, if I could find a good and certain method of suiciding, I would.

She states later -

> In the end, even though my own psychiatrists were supportive and made subsequent reports to . . . rebutting all of . . . arguments, I was not strong enough [health wise] to continue my fight for justice. I lost my job and took a redundancy in exchange for withdrawing my claim for worker's compensation claim. I know that I will never work again, as even after two years my hand still hurts unbearably . . .

Another person writes, and I will quote in part -

> In my case I was involved in a truck accident at work where I was thrown into the windscreen.

He states later -

> When I went to see . . . I was a patient at the psychiatric unit at R.P.H. under . . . I was suffering from chronic pain . . .

He was referred to this particular specialist, and he states -

> When I entered the room he noticed my hospital tag on my wrist. He seemed to get agitated by this as he grabbed my wrist and demanded to know, "Whats all this then". When I told him . . . had admitted me to the unit he said he couldnt understand why . . . had done this as there was nothing wrong with me and it was ridiculous for . . . to even consider that I had a psychiatric illness.

He states later -

> He then proceeded to tell me that all the pills were a complete waste of time in fact any treatment was a complete waste of time. He then questioned my family background and made suggestions that my marriage may also be in trouble. This man had me reduced to a shaking, crying, wreck. I was completely mystified as to why a so called consultant would even consider doing that to another human being.

He then refers to the previous rehabilitation which he had received and states -

> Then in 15 mins this man removed all of that by saying there is nothing at all wrong, you have lapsed into a chronic sick role, all treatment is a waste of time. It took a long time for my self esteem to return.

A letter from another person states that being interviewed by this specialist was the most horrific time in that person's life.

I raise those matters because it is the role of the Medical Board in either its present or expanded form to ensure that there is appropriate conduct within the medical profession. I am advised by the people who have been investigating these matters that a disproportionate number of the people who have been subjected to an examination by this specialist, have been degraded dreadfully and had their self-esteem reduced, and have seen the reports tabled by this specialist which have denied them appropriate compensation, have suicided because of the impact that has had on their lives. I hope that in raising this matter in this oblique way by not providing the names, for specific reasons, that the questions which I have put on notice about the operations of the Medical Board are given proper consideration and that the nominees to the Medical Board will be of such professional character that they will examine these reports, which have, I understand, been referred to it.

This is an important Bill because it deals with the standards and ethics of the medical profession, and I hope the Medical Board will ensure that those standards and ethics are maintained by all members of the medical profession.

DR WATSON (Kenwick) [10.07 pm]: While this is a seemingly technical Bill to establish mechanisms for medical registration and to augment the membership of the Medical Board, it is clear from the issues that have been raised in this debate that the Government has not taken full account of the social and political implications of this Bill. Medical politics will long remain in the hands of the medical profession, and as my colleagues on this side of the House have pointed out, it is a pity that the two extra nominees to the Medical Board will be medical practitioners. My colleague the Deputy Leader of the Opposition pointed out that we should have debated earlier this year the Health Services (Consolidation and Review) Bill because it is the work of the Medical Board that attracts the comment that the medical profession is a closed shop and that complaints about medical practitioners are not dealt with appropriately. The member for Morley raised a number of serious allegations about a particular medical practitioner, and I think we have all in our work with constituents had complaints brought to us about particular medical practitioners or the medical profession.

Over the years I have dealt with a number of these complaints but never with any success when they have been referred to the Medical Board, particularly in the case of workers' compensation and third party insurance complaints but also claims and complaints people want investigated against some form of medical practice. I cannot bring to the attention of the House one matter for which satisfactory resolution has been found. It seems two opportunities have been missed here: One is that we have not, through the Parliament, established a satisfactory complaints system. If the membership of the board were to be expanded I suggest it be augmented by nominating, say, an ethicist and a member of the Health Consumers' Council rather than two more doctors. The perspective should be much broader than that provided by people with an interest in the medical profession and the politics of the medical profession. I also acknowledge that those doctors who are undertaking some form of peer review when they are dealing with complaints would be in a position of acknowledging their own vulnerability in the future.

The Bill is tied to safe practice, which is appropriate. However, one thing that has not been brought out this evening is that implications exist in the conditional and unconditional registration for labour force planning and training requirements. My contribution will be to review a recently published survey of the medical work force in Western Australia conducted in 1993. It was part of a national medical work force survey. The two things that strike me most about it are our dependence in Western Australia on overseas born and qualified medical practitioners, there being about one-third of practitioners here who have qualified overseas. That will have implications for the way in which registration functions, particularly conditional registration.

The other aspect is that it seems there is no shortage of medical practitioners in Western Australia, but a very mal-distributed way of approaching medical provision to the Western Australian community. I seek members' indulgence to skip through the report. It is important that members are made aware of some of the issues raised in this report. The study was conducted by the public health unit at the University of Western Australia as part of a national survey, but commissioned by the Health Department of Western Australia early in 1993.

The study population was defined as all doctors who were registered to practise medicine in Western Australia, a total of 5 639. The response rate was 78 per cent. Therefore, responses from 4 405 doctors are examined in this report. An investigation of the non-respondents indicated that an estimated 500 doctors were not living or practising in Western Australia. Probably the non-response figure was about 700. Responses came from 376 people who were living overseas, which was about 50 per cent of the total medical practitioners living overseas. That is important for considerations that must be given to conditional registration because many people have provisionally registered thinking they might be coming to Western Australia. Twenty-five per cent of practitioners are women, but of those under 35 years of age 40 per cent are women. Although the authors of the study say this is consistent with current gender distribution in medical school, in the age distribution of women is a sharp decline once they are older than 35. One assumes that is as a result of decisions that must be made about balancing career and family.

Overseas graduates were about one-third of all the graduates surveyed, with 80 per cent having a Western Australian address. We are very dependent on people from overseas, it is true to say, mostly from the United Kingdom and Ireland, and a large number from Asian countries. Regarding distribution, in Western Australia when we match up only the number of medical practitioners against the population there are about two practitioners per 1 000 of population; in other words, there is one doctor per 500 people who live in Western Australia. Given the location of hospitals and the population distribution, the report found it was not surprising that 87 per cent of all practitioners work in the metropolitan area. Therefore, 87 per cent of practitioners service 72 per cent of the State's population. However, the rate of provision within the metropolitan area works out to 2.5 per 1 000 population or about one doctor to 400 of the population.

Clearly, Western Australia has no shortage of medical practitioners, although it is also reported that our proportion is lower than in all the other States. Of course, once one

leaves the metropolitan area where the population is lower, so also does the proportion of medical practitioners per head of population fall to fewer than one per thousand. Of the 1 060 specialists, however, 93 per cent work in the metropolitan area and 7 per cent are left to service the rural community with 45 per cent of that 7 per cent - about 3.5 per cent of them - working in the south west region, in Bunbury and Albany.

A huge mal-distribution of general practitioners exists. This raises a number of issues about the kinds of practice in which doctors are engaged, where they go and why they choose to make the decisions they do. One of the issues to do with the non-respondents, many of whom are living overseas - 700 people did not respond - was that about 60 per cent of them would be considered to be currently practising in Western Australia, but the rest were living overseas, as I said before, provisionally registered waiting to come here.

There is very good data and information in this report. It is a very good report for health planners because, as I said, the Bill has implications for the training and for the planning labour market and also for planning educational courses. The number of University of Western Australia graduates who have continued to serve Western Australia as general practitioners and specialists is really very high. I understand it was of some surprise to the authors that people may have gone away for specialist and college training, but they returned to Western Australia. Something like 60 per cent of doctors practising in Western Australia are University of Western Australia graduates. Of 5 000 people with overseas qualifications, 929 were trained overseas. A number of doctors were born overseas but qualified here at the UWA or at other Australian universities. However, 929 were trained overseas. Of those, 80 per cent of the United Kingdom and Irish born doctors qualified overseas, as did 45 per cent of Asian doctors, 47 per cent of African doctors and 37 per cent of Middle East and United States born doctors. There did not seem to be any change over time in the number of doctors who gained their initial medical qualifications overseas. However, members will appreciate that people who do their undergraduate studies here in Western Australia and choose to specialise must go overseas or interstate to qualify as specialists in particular areas of medicine.

The members for Victoria Park and Morley have discussed psychiatry. However, when one looks at the fields of qualifications of specialists or specialists in training here in Western Australia, it is difficult to argue that there is a shortage of psychiatrists. There are 128 psychiatrists registered to practise in Western Australia. That should be compared with 30 cardiologists. Therefore, there are four times more psychiatrists than there are cardiologists. Again, it is an issue of distribution and of psychiatrists recently leaving the public system to work for their preference in the private system. There are 90 general surgeons which again I would put against 128 psychiatrists.

As I said, 93 per cent of specialists are based in the metropolitan area, 4 per cent in the southern health regions and 2.7 per cent in the rest of the State. However, when one considers the poor health status of Aboriginal people and the need for specialist health services for Aboriginal people, one must ask whether, if we really want to do something about it, we should be making it a condition of people's qualifications that they provide some service not only to rural areas but also to remote areas and to the regional areas of the Pilbara, the Kimberley and the eastern goldfields. I believe that all of us who have had the benefit of tertiary education should do something for the State. I do not see it as beyond an imposition over and above the imposition of the HECS fee that people should not be required to do some time in the country as nurses and teachers were required to do in the past when the bursary system enabled nurses and teachers to complete their secondary education.

The House will be interested to know who works hardest and who works longest. I found the figures interesting. It will not come as any surprise for members to know that doctors who work in rural areas work about seven hours a week longer than their metropolitan counterparts. However, specialists in the metropolitan area who work the longest hours are the orthopaedic surgeons who work about 64 hours a week, followed by general surgeons and obstetricians and gynaecologists who work about 59 hours a week.

Mr Minson: Does it have politicians in there?

Dr WATSON: No, we could double that. Geriatricians work 58 hours a week. It is a very salutary point that they work comparatively long hours.

Mr Minson: What is the figure for geriatricians?

Dr WATSON: Fifty-eight hours a week, which is only an hour less than general surgeons and obstetricians. There is no doubt that specialists such as gerontologists do not have the resources that orthopaedic specialists have. I imagine that the orthopaedic surgeons work their lists, and are on call for emergencies. However, geriatric medicine is a hard slog for the people engaged in it and for them to work 58 hours a week when there are no emergencies indicates that those men and women are devoting six days a week to hard and dedicated work. Maybe when we look at shortages, it is shortages in those areas of gerontology and perhaps dermatology - things that are not considered glamorous and that are not on the edge of technical medicine and that do not attract people in the same way as does high tech medicine - that we should be looking at. Maybe the Minister will have to make decisions about getting more geriatricians and the Medical Board may have to consider conditional registration for some people in those areas of medicine which attract people at a lesser rate than other comparative fields.

In closing, I will make two points. One is to agree with the member for Dianella about rural practitioners. Female graduates constitute 25 per cent of the local work force and contribute 20 per cent of working hours. Statistically as a group they were much younger than male graduates with 75 per cent under 45 years of age. The mean age of female graduates who were working here was 38 years compared with 45 for males. The majority - 54 per cent - were working in general practice. There were markedly different age distributions between male and female graduates and, according to the researchers, they reflected a greater tendency in the past for women to go into general practice rather than specialty practice. In fact, there is a dearth of women specialists. The majority of specialist training posts are held by males, despite the fact that the proportion of women under 35 years has now risen to 40 per cent. It was also clearly demonstrated that women prefer to work in the metropolitan area, which may well have implications for the number of practitioners willing to locate to remote areas.

I thought it was important to bring the results of this recently published study to the House. The Bill will mean that both the Minister and the newly constituted board will have to deal with that issue of qualified graduates from overseas and with distribution. Increasingly the Government will have a role to intervene and, if not to support people fully and properly with all of the resources that are needed to enable them to practise in rural and remote Western Australia, to consider posting people to those areas as part of their immediate postgraduate qualification requirements. Although the Bill is about safe practice, it is also about training requirements and planning of a labour force in medicine.

DR CONSTABLE (Floreat) [10.32 pm]: I am conscious of the hour so I will make only two or three comments about certain aspects of this Bill. A major purpose of the Bill is cross-jurisdictional standards, uniform standards across Australia for the registration of medical practice. That is very important in the context of recent debate and the report from the Standing Committee on Uniform Legislation and Intergovernmental Agreements on mutual recognition. The history of this Bill is both interesting and important to note. It started in 1991 with the Australian Health Ministers' Conference where a decision was made to standardise registration of medical practitioners across Australia in the knowledge that mutual recognition legislation would be forthcoming. We know that at ministerial council level a decision was made for all States and Territories to enter mutual recognition by the beginning of 1993. As history would have it, we had a state election at the beginning of 1993 and we are still waiting to enter the mutual recognition scheme. I hope this debate will continue to alert the Government about our need to enter that mutual recognition scheme as soon as possible.

As I said, this Bill is concerned with cross-jurisdictional matters. It is important to remind the House that the uniform legislation committee needs to be alerted to these Bills well ahead of time so that it can look at them in its role as a standing committee of the House. This piece of legislation passed us by, and we did not look at it in our busy

schedule during the year. I hope procedures will be put in place before too long so that matters might be brought before this committee well ahead of time to enable them to be scrutinised on behalf of the House.

The principle behind the Bill has already been spoken about tonight, so I will not talk about that too much, except to highlight two matters that come out of the Bill. One relates to unilateral recognition of qualifications by the States. The member for Victoria Park talked about Western Australia historically having lower standards of medical practice admission than other States. That is not the case. That has happened only recently because the other States and Territories have passed legislation similar to this. Previously Tasmania had the lowest standards and that allowed a lot of people from overseas to enter Australia via that State's gate. Only in the past couple of years has Western Australia taken on that role of having lower standards. Because we are lagging behind the other States we have fallen into that situation. I am concerned about one of the paragraphs in clause 11AF which refers to conditional registration of specialists. Paragraph E states -

> A person may be registered if the Board is satisfied that the person has specialist qualifications and experience in medicine obtained outside Australia and registration is for the purpose of enabling the person to practise within that speciality.

Throughout this clause - it contains paragraphs A to G which describe different areas of conditional registration - the board is moving more and more into this sphere of setting standards and educational qualifications. Especially in this paragraph the board is able to assume the role of setting standards that specialist colleges have assumed and had in the past. There is a risk that we will end up with two sets of standards: One set by specialist colleges which take on the role not only of setting educational standards, which traditionally have been high in this State, but also continuing education. Another relates to a group of people who obtain conditional registration outside of those colleges and outside of the system of continuing education. We may well have the bulk of specialists being subjected to higher educational standards with perhaps a small number going to rural and remote areas in future years who do not have the same level of educational qualifications that the bulk of the specialists have. We should be looking at that, and procedures should be set up with the board continually liaising with colleges so that the high standards are maintained in those specialties.

The member for Mitchell spent a long time talking about the definition of unmet area of need, as did the member for Victoria Park. I endorse many of their comments and cautions about the lack of definition in that area. Without clear definition and a clear set of procedures, with the need being determined by the Minister, there could be manipulation of the system. The quality of information coming to the Minister would be very important in determining unmet need, and I would add a voice to the caution that has already been expressed. Rather than going into detail, I will merely add my voice to the many concerns that have been expressed about the provision of good medical care in country areas. I have checked this Bill and the Medical Act very quickly, and the fact there is no appeal mechanism for someone who has sought registration is a very important oversight. I hope that matter will be attended to in the near future. People seeking registration should have an avenue to appeal if they think they have not been dealt with fairly. It is not fair to people seeking registration for that decision to be only within the province of the Medical Board, and to be the beginning of the end of registration. I hope that will be attended to also.

MR MINSON (Greenough - Minister for the Environment) [10.40 pm]: I thank members for their contributions. I could use all the time available to me to reply, but I think I can cover most of the areas of concern that have been raised in a shorter time. I will address the matters raised point by point.

The member for Victoria Park delivered an eloquent and erudite resume of the second reading speech, plus a little more. First, I address his comments about the lowering of standards adopted in Western Australia. It is not so much that the standards have been

lowered in the recognition of qualifications gained outside of Western Australia; rather, because of our history and the late establishment of our medical faculty, and the fact that we have not been able to train in specialties until relatively recently - it is some decades but nonetheless it is relatively recently - we have been more broad-minded in our approach. We have not allowed the question of professional qualifications recognition reciprocity to enter into the matter. Often if universities around the world establish an agreement to recognise each other's qualifications there are no problems. However, if a hiccup occurs in negotiations, out of pure spite often the qualifications are not recognised even though there is nothing wrong with the standard of the graduate or the training; the mutual reciprocity has not been agreed for some reason totally unrelated to standards. I suspect that this is the basis of the reason that Western Australia has been a little more broad-minded in its approach. We have not had that lead weight around our necks, whereas some of the Eastern States have. I am aware of accusations that some doctors who entered the State recently did not meet the required standards.

I make these general comments because the general theme of speeches tonight related to unmet need, and a lack of definition and discipline on the Minister, the bureaucracy or the board in driving this legislation. Perhaps the great strength of the legislation can also be interpreted as a weakness. I accept that. It is like an electric train, which can be driven backwards or forwards. In this case, it depends on the person driving the legislation. I accept that criticism of the Bill. The problems it sets out to solve tend to fluctuate. The Bill is attempting to address problems that arise from time to time in various areas of the State, whether geographical or in areas of practice within the medical profession and the delivery of health services.

Mr D.L. Smith: Continuously in some areas and periodically in others.

Mr MINSON: I will come to that. I suspect that in some areas it is continuously, and we will seldom fill the need that arises from time to time in some geographic areas.

Members referred to problems with doctors from the United Kingdom and Ireland. It was stated that 50 per cent of the doctors who have put their name on the register in Western Australia have not practised here. It is like an insurance policy; if they wake up one morning and do not like the climate they may wander out to Australia and take up residence. The rules were set some time ago. The member for Kenwick referred to the statistics. We now have a sufficient number of medical practitioners, and in some areas we have a sufficient number of specialists, although distribution is a problem. If we do not fix the problem, we may have a flood of doctors to Western Australia, and because of the problems with mutual recognition we may also have a flood of doctors into the Eastern States.

I turn now to the question of unmet need. The Minister has wide discretionary power. It is virtually open-ended, but unmet need is not a technical matter requiring either judicial or medical expertise. It is properly a political decision based on information of a statistical nature which is best supplied by the Health Department. Consequently, the question of unmet need is properly placed with the Minister. Plenty of information is available to him to be able to judge whether an area geographically or professionally has an unmet need. Therefore, the Minister can allow a relaxation of requirements in an area to allow people to practise.

Mr D.L. Smith: What if the National Party says there is an unmet need in Bunbury?

Mr MINSON: That is an area I should not enter.

Dr Gallop: What is the relationship between the Minister making a decision about unmet need and the Medical Board making a decision about registration?

Mr MINSON: One would be a statistical judgment and the other would be a recognition of qualification. If the Minister decides an area of need is not being met and the board steadfastly refuses to agree with the Minister, it is possible that they will decide not to register anyone to fill the niche. In such a circumstance, the legislation suggests that a lot of negotiation should take place. Public pressure and a clear demonstration of a need may result in some relaxation of the rules.

Dr Gallop: There is no power of direction.

Mr MINSON: Not in the Act, and neither is there an avenue of appeal for someone who is not on the register. Section 13A of the parent Act provides an appeal mechanism for people who are registered, but not for doctors outside Australia who are not registered. That becomes a political problem which will have to be solved by the Minister of the day.

Mr D.L. Smith: The Minister decides where there is an area of need; the board decides whether a particular applicant has suitable qualifications and experience to practise medicine in that area of need. There will have to be a coming together of the understanding of what needs must be met in that area in order for them to work out the qualification.

Mr MINSON: I understand that, but this is not a perfect world. With all due respect to my ministerial colleague, I cannot conceive of a situation where a Minister who is qualified in law, for example, will make a judgment about the professional qualification of somebody to fill that need. I do not think that would be appropriate.

Dr Gallop: The difficulty we have is, as you said, that the definition of unmet need is political.

Mr MINSON: It is a political decision, statistically based.

Dr Gallop: That is right. However, the means by which you can address it are through the Medical Board and the professional people on it. Therefore, it will not necessarily follow that the second part of that equation will deal with the problems of the first part once that is addressed.

Mr MINSON: That is true, except that one is dealing with a specialty, and I hope the Medical Board in particular will be able to make a proper judgment about that. The board does not comprise all specialists from that area. As I understand it, one of the reasons for expanding the board is to have a wider range of expertise. Not all members of the board would need to be present to review whether someone would be licensed to fill that need. Of course, the board is not made up of just medicos. If we do not adopt this model, with which model do we replace it? There is not a perfect model.

Mr D.L. Smith: How do you get someone to apply to be registered in an area of special need if he or she believes they can never be qualified to practise?

Mr MINSON: That is an interesting question. Perhaps I will get to that issue as I proceed, because there is an answer to that which should satisfy the member for Mitchell's requirements.

The member for Victoria Park also mentioned the need to put definitions on the unmet need and to put guidelines in place for the Minister. No written policy exists on that, probably because it needs to be fairly well open-ended. I have addressed the question of appeals. I know there is no provision for that. If one is outside Australia, the only appeal available will be to ask the Minister to reconsider the question of an area of need, or to ask the board to reconsider the area of adequate qualification. The member for Victoria Park also mentioned the issue of communications - in other words, language - and who would judge that and how subjective or otherwise that judgment would be. This Bill contains no definition of that, except that the communication or language skills must be adequate. I am not sure I would like to put a definition of that in the Bill, although it is inconceivable that we should license people to practise medicine if their communication skills are unsatisfactory. In my own profession I have had to work with people who have no English, and I have no Italian or Vietnamese: It is a very frustrating experience. I can imagine that practising medicine under those conditions would be even more difficult. The board and the Minister will have to be satisfied that the person registered will have sufficient language skills.

The member for Victoria Park also spoke about the question of good character. The reference to that in the Bill is a general statement. It is true that it is subjective; however, it is one of those safeguards that need to be in an Act such as this. Quite plainly, the

intent is to keep out people who, by virtue of the ethics of the profession, should not be practising.

Mr D.L. Smith: Does the character test apply to doctors who apply to meet areas of unmet need?

Mr MINSON: I could say rather cynically that it is good that character tests did not apply to some of the members of Parliament who have been through this place over the past few years, but I will not make that rather unsavoury comment!

Mr D.L. Smith: It is rather unnecessary.

Mr MINSON: I refer to some of the WA Inc years and make the point that it is good members do not have to pass such a test to go into Parliament.

Mr D.L. Smith interjected.

The DEPUTY SPEAKER: Order!

Mr MINSON: I am trying to convey that there needs to be some mention in this Bill of an avenue for the board and the Minister to keep somebody out of the State who is clearly not of good character. Obviously if they have three murder convictions they will not be licensed.

Mr D.L. Smith: I agree with a character test in relation to general practice. My only question is: Does that apply equally for doctors who come in to meet areas of unmet need? From my reading of the legislation, that test will not be applied strictly.

Mr MINSON: I disagree, although the member for Mitchell is a lawyer, and I am not. I thought it would apply to those people. The member is probably right in that. We should deal with that matter in Committee.

The question of country specialists will never be completely solved; however, this Bill will help. In my experience keeping medical personnel of all types in country areas is difficult. I have heard many recipes for addressing the problem, none of which will solve it completely. Ongoing professional training is a problem. The issue of finance must also be considered. One must earn an awful lot more money if one is to practise in a very remote area but enjoy the same standard of living. One of the doctors in Karratha pointed out to me that if he took off to Perth for a couple of weeks to either have a holiday or undertake further professional training and wished to take his family with him, not only must he stand not being able to earn for those two or three weeks, but also he must fork out an air fare for himself and his family. The education of the children of those people must also be considered. Many reasons are given, but many doctors practising in the country have a time line and at a certain point say they will leave the country area.

The member for Dianella raised questions which largely have already been answered. He gave a good personal example of the necessity for this legislation. The member mentioned medicos who practice in country areas, and some of the reasons that they might not want to go to the country in the first place and why they might decide to leave. The member for South Perth referred to the question of uniform legislation and the importance this matter has to the committee he chairs. He also mentioned the areas of unmet need and spoke of psychiatry in particular. The member for Mitchell supported the legislation and its intent; however, his interpretations of some of the areas of this legislation are incorrect. He asked whether a person in an area previously considered an area of unmet need which later is declared an area that is fully serviced would be squeezed out. The answer is no, because he would have received a licence to practise in that area. As such he would not be able to have his licence removed, and would have all of the normal rights of appeal.

Mr D.L. Smith: Could he move to full registration?

Mr MINSON: There will be no provision to go to full registration because he came to this country and this State to practise in a particular area. Having given that undertaking he must choose either to go to that area and practise or to sit the examination. If he sits the examination he will become unconditionally registered.

Mr D.L. Smith: How does the Minister then overcome the concerns that no practitioners will come here because there is no guarantee they can move to full registration?

Mr MINSON: I disagree. If someone makes a decision to come here and to go to Bunbury, that person will be of no use to the people of Bunbury if he packs up and leaves.

Mr D.L. Smith: They will not come to Bunbury if they have to stay there for the rest of their professional life.

Mr MINSON: They do not; they have the opportunity of sitting the board examination.

Mr D.L. Smith: That is an entirely different issue. They can sit for the examination before they go to Bunbury.

Mr MINSON: That is right.

Mr D.L. Smith: In that case they would not bother to go through the conditional process; they would sit the exam and become fully registered. We are talking about people who for some reason would not measure up to that standard, but would satisfy the needs of the area.

Mr MINSON: They will go to that area of need and they will stay there.

Mr D.L. Smith: They will not come on that basis.

Mr MINSON: The member is saying that someone who does not have the capability to become unconditionally registered should be allowed to come here and have open slather. That is what we are trying to prevent.

Mr D.L. Smith: They should have a clear path to registration without sitting the examination.

Mr MINSON: That is not a sensible way to go.

Mr D.L. Smith: This will destroy the attractiveness of country practice for many doctors who want to come here for a period. The Government will not accept the advice of the largest medical practice in Bunbury.

Mr MINSON: If I were a doctor thinking of taking my family and practising in Bunbury, I would go to Bunbury before I made a decision. The member for Mitchell mentioned specialists and academics, and the need for academics to have private practice rights. The recognition of specialist qualifications and experience is allowed for under proposed section 11AF(1).

Mr D.L. Smith: It is a double test. They must have an academic position to go to and the board must be satisfied it relates to that second test.

Mr MINSON: We must start somewhere. If someone comes here to fill a teaching position, which one member raised, presumably he or she wants to come primarily to fill that teaching position. He or she will be allowed the right of private practice, if he or she applies for a recognised specialist qualification. That is reasonable. We will make no headway at all if the member for Mitchell wants to take out these safeguards. That is a silly position for the member to take. The other safeguard in this legislation, which once again gives the Minister considerable leeway, is temporary registration in the public interest.

The member for Morley made a long speech, none of which had anything to do with the Bill. Nevertheless, the member wanted to get something in *Hansard*. He raised the health services conciliation and review process, which the Government acknowledges needs to be put in place. I hope that happens fairly quickly.

Mr Brown: What is the purpose of an extra two people being appointed to the board?

Mr MINSON: There will be a broader range of experience and specialisation areas represented on the board, and it will raise the question of how many people are needed to form a quorum. I realise that the board meets more often, and I understand the member's point about the need for the health services and conciliation review process; however, the

purpose of most of the member's speech was to get something on the record. It is now on the record, and I do not intend to refer to any of the member's points.

Mr Brown: The Medical Board has this responsibility for standards. Apart from those questions on notice, will the Minister take up these matters for me with the Medical Board through the Minister?

Mr MINSON: I will take them up in so far as they are the Minister's responsibility.

The member for Kenwick gave some interesting statistics. The review she used was of some interest. She also mentioned the conciliation and review process, and the important but rather delicate matter of whether there is a community service obligation on members of the medical profession after they are trained. In the past, cadetships had that obligation written in, and they were very valuable. One of the weaknesses of the system was that we wound up with inexperienced people on their own in remote areas. There should be an obligation on graduates - because it costs over $1m to train a medico - to spend some time giving community service. It is an issue which should be addressed by the profession because, in view of the cost to society to train medical practitioners, they have a community service obligation. The cost of operating teaching hospitals is horrific. The member referred to the important issue of the distribution of medicos in country areas. I am disappointed with some of the local graduates who regard their obligation of community service to be somewhere in the area between Wanneroo and Rockingham. They have lost the spirit of the wild west and it would not hurt them to look at doing community service in country areas.

The member for Floreat raised a number of questions, most of which I have tried to address. The Committee stage will provide an opportunity for me to fully address the questions she raised.

Mr D.L. Smith: Are you going to deal with the issue of when we can expect better progress in resolving the dispute between the ministry and country doctors?

Mr MINSON: It depends on whether I think of an answer between now and the Committee stage. My remarks in this second reading debate have been somewhat curtailed and I will expand on them, clause by clause, in Committee.

Mr D.L. Smith: I can guarantee it will be a long Committee stage.

Mr MINSON: If the member for Mitchell makes threats like that, he will find that I will move that the House go into Committee in about five minutes.

Mr D.L. Smith: By all means go into Committee now.

Mr MINSON: I thought the member for Mitchell wanted to drive back to Bunbury tonight! At least half a dozen points need to be amplified and I am more than happy to do that in Committee.

Question put and passed.

Bill read a second time.

House adjourned at 11.13 pm

QUESTIONS ON NOTICE

ROYAL COMMISSION INTO COMMERCIAL ACTIVITIES OF GOVERNMENT AND OTHER MATTERS REPORT - APPENDIX 1, MINISTER OR STAFF, INFORMATION

1462. Mr McGINTY to the Attorney General; Minister for Women's Interests; Parliamentary and Electoral Affairs:

(1) Has the Minister, or any member of her staff, been provided with or briefed on any of the contents of appendix 1 of the report by the Royal Commission into Commercial Activities of Government and Other Matters?

(2) If so, when was the information received and from whom?

Mrs EDWARDES replied:

(1)-(2) No member of my staff has been provided with or briefed on the contents of appendix 1 of the report. A copy of appendix 1 was delivered to my office on 10 February 1994 by the Director of Public Prosecutions.

ETHNIC COMMUNITIES COUNCIL - GOVERNMENT FUNDING

1637. Mr BROWN to the Minister representing the Minister for the Arts:

What funds have been provided to the Ethnic Communities Council by the State Government in the last three financial years?

Mr NICHOLLS replied:

The Minister for the Arts has provided the following reply -

1991-92	$26 985
1992-93	$22 240
1993-94	$12 000

was paid to the Ethnic Communities Council by the State Government through the WA Department for the Arts. The payments were the result of funding recommendations made through the assessment panel process.

PLANNING LEGISLATION AMENDMENT BILL - ENVIRONMENTAL ASSESSMENT PROTOCOLS

1695. Mr KOBELKE to the Minister for Planning:

(1) Is it the intention of the Minister to establish formal protocols for the Planning Legislation Amendment Bill 1994 to cover operational aspects for how planning and environmental agencies will carry out environmental assessment?

(2) Will the Planning Legislation Amendment Bill be amended to include reference to such protocols?

(3) Will such protocols be established by regulation and, if so, does this require any amendment to the Bill currently before the House?

(4) If the Minister does not agree to establish recognition of such protocols in the legislation what will be the status of such protocols?

(5) Will the Minister table such protocols in the Parliament prior to the passage of the Planning Legislation Amendment Bill 1994 through the Legislative Assembly?

Mr LEWIS replied:

(1) No.

(2)-(5) Not applicable.

ELECTORAL AMENDMENT (POLITICAL FINANCE) ACT - PROCLAMATION DELAY

1735. Mr CATANIA to the Attorney General:

(1) Can the Attorney General advise whether the delay in the proclamation of the Electoral Amendment (Political Finance) Act 1992 is related to the Government's current stand on total deregulation of trading hours and its excessive delays in dealing with commercial tenancy legislation and amendments called for by all sectors of the retailing industry?

(2) Is the delay in proclaiming the Act linked to the Chamber of Commerce and Industry advertising campaign leading to the state election in 1993?

(3) Can the Attorney General advise whether she is aware of who funded the CCI's advertising campaign and if that campaign was funded by the major oil companies, the major national retailers - ie Coles, Myer, Woolworths - and the Building Owners and Managers Association?

Mrs EDWARDES replied:

(1)-(3) No.

GOVERNMENT DEPARTMENTS - RELOCATED TO ROCKINGHAM ELECTORATE

1766. Mr M. BARNETT to the Attorney General; Minister for Women's Interests; Parliamentary and Electoral Affairs:

(1) What action, since being elected, has the Minister or the Minister's department taken to relocate any portion of her department to within the electorate of Rockingham?

(2) If none, why?

Mrs EDWARDES replied:

(1)-(2) The Ministry of Justice accommodation needs are considered and managed as part of an integrated accommodation planning process. The Rockingham Community Corrections and Juvenile Justice offices will shortly be relocated within Rockingham. Also, a proposal is currently being considered for a new Rockingham justice centre which may house the Local Court, Community Corrections and Juvenile Justice offices.

The Western Australian Electoral Commission's operations are well served by its present location.

The operations of the Office of Women's Interests are well served by its present location.

GOVERNMENT DEPARTMENTS - RELOCATED TO ROCKINGHAM ELECTORATE

1769. Mr M. BARNETT to the Minister representing the Minister for Health; the Arts; Fair Trading:

(1) What action, since being elected, has the Minister or the Minister's department taken to relocate any portion of his department to within the electorate of Rockingham?

(2) If none, why?

Mr MINSON replied:

The Minister for Health; the Arts; Fair Trading has provided the following reply -

Health -

(1) As part of the reforms of the Health Department of Western Australia implemented on 1 July 1994, the following functions and

resources were devolved from the South Metropolitan Health Region's directorate, located in Applecross, to the Rockingham Kwinana Hospital and Health Service -

Line management for public, community, hospital and mental health services. This required a newly created position titled General Manager, Rockingham Kwinana Hospital and Health Service. This position is now directly accountable to the Commission of Health, rather than a regional director;

human resource coordinator position;

part time staff development coordinator position; and

half time medical superintendent position.

Apart from the relocation of management services to Rockingham/Kwinana, additional mental health services have been devolved to the Rockingham Kwinana Health Service.

(2) Not applicable.

The Arts -

(1) None.

(2) The Department for the Arts is considered too small to be regionalised.

Fair Trading -

(1) None.

(2) Rockingham is in the metropolitan area and this is serviced from the Hay Street office. The only other offices are in major regional centres.

ARTS, DEPARTMENT FOR THE - RESTRUCTURING

1798. Ms WARNOCK to the Minister representing the Minister for the Arts

Further to my question on notice 1720 of 1994 referring to a restructuring in the Department for the Arts -

(a) who initiated it;

(b) did the Minister oversee and approve it;

(c) what was its purpose;

(d) which positions will be lost?

Mr NICHOLLS replied:

The Minister for the Arts has provided the following reply -

(a) In November 1993 I asked the department to undertake a business planning exercise. The planning led to the restructuring.

(b) No, but I was advised of progress as appropriate and approved the broad objectives, and the proposed corporate structure.

(c) To realign the department's resources to the objectives outlined in the Government's arts policy.

(d) Pending some further reviews across the Arts portfolio, four positions have been abolished: Director Corporate Services, Director Policy and Development, Regional and Community Arts positions are being amalgamated to form a Local Arts position and the theatre and music and dance positions have been amalgamated to create a Performing Arts Project position.

BATAVIA (SHIP) - RELICS, RELOCATION

1800. Ms WARNOCK to the Minister representing the Minister for the Arts:

Further to my question on notice 1722 of 1994 referring to the *Batavia* relic -

(a) will the *Batavia* be relocated;

(b) will the limestone portico be relocated;

(c) how will decisions be made about which relics will be relocated;

(d) what sort of time frame is involved?

Mr NICHOLLS replied:

The Minister for the Arts has provided the following reply -

The Government at the 1993 election promised to implement the Batavia Select Committee report. As a result of that -

(a) The *Batavia* hull will remain at Fremantle because of the proximity of those relics to the conservation laboratory, and because they have by the passing of time become the focal point at the Western Australian Maritime Museum.

(b) The stone portico will be exhibited at Geraldton provided a new facility is built guaranteeing security and environmental conditions. It will be exhibited in Geraldton as part of long term planning to ensure a rotation of all possible relic material between Fremantle and Geraldton.

(c) Objects will be selected for rotation as they fit in with exhibition themes. For example, the *Batavia* suit of armour might appropriately be rotated as part of a theme on 'Traders at War'. Themes will be agreed between the Director of the Maritime Museum and the Director Geraldton Museum, and funds sought for the development of each theme as an exhibition project.

(d) The process of rotation of objects is already in place. However, the scale of rotation is constrained by lack of space at the Geraldton Museum and lack of funds for exhibition development.

HEALTH DEPARTMENT OF WESTERN AUSTRALIA - HOME AND COMMUNITY CARE PROGRAM

Services for People from Non-English Speaking Backgrounds, Funding

1809. Mr BROWN to the Minister representing the Minister for Health:

(1) What funds have been allocated from the home and community care program in the last three financial years to agencies/services which provide special services for people from non-English speaking backgrounds?

(2) What organisations received assistance?

(3) What was the amount of assistance received?

Mr MINSON replied:

The Minister for Health has provided the following reply -

(1)-(3)

The following funds were approved under the HACC program for agencies which specially provided services for people from non-English speaking backgrounds -

Organisation	1991-92 Recurrent $	1991-92 Non-recurrent $
City of Canning	180 540	2 810
Perth Home Care Services	206 730	---
North Perth Migrant Resource Centre Inc	170 340	8 170
City of Fremantle	116 270	17 000
Total for 1991-92	673 880	27 980
Grand total		701 860

Organisation	1992-93 Recurrent $	1992-93 Non-recurrent $
City of Canning	190 620	4 000
Perth Home Care Services	210 080	---
North Perth Migrant Resource Centre Inc	207 540	44 000
City of Fremantle	142 500	63 620
Villa Dalmacia Association Inc	32 680	5 000
Total for 1992-93	783 420	116 620
Grand total		900 040

Organisation	1993-94 Recurrent $	1993-94 Non-recurrent $
City of Canning	205 320	89 000
Perth Home Care Services	211 610	---
North Perth Migrant Resource Centre Inc	209 620	9 412
City of Fremantle	144 600	7 100
Villa Dalmacia Association Inc	49 210	---
City of Stirling	98 000	305 000
City of Wanneroo	55 100	20 000
Total for 1993-94	973 460	403 512
Grand total		1 376 972

LAND - BIBRA LAKE BUSHLAND
Retention, Cockburn City Junior Council's Letter

1813. Mr THOMAS to the Minister for Planning:

(1) Has the Minister received a letter from the City of Cockburn Junior Council regarding the retention of bushland at Bibra Lake on a nature reserve?

(2) Will the Minister act promptly to ensure that the views of the junior council, parents and students from the school and 309 petitioners to this Parliament on 2 October 1994 who wish to save the bushland are acted upon?

Mr LEWIS replied:

(1) Yes.

(2) The current proposal to rezone the land urban does not preclude its protection under the local authority town planning scheme as public open space. Should the council or the Education Department wish to acquire the land, there is an opportunity to do so. The land is currently owned by the Crown and I am not aware of any immediate plans to dispose of it.

ASCOT FIELD PROJECT - TENDERS, ASSESSMENT

1816. Mr RIPPER to the Minister for Planning:

(1) In assessing the tenders for the Ascot Field project which of the following criteria will be given more weight -

(a) the financial return to the State Government; or

(b) regional and local amenities to be provided as part of the project by the developer?

(2) What other criteria will be taken into account?

(3) When will the outcome of the tender process be announced?

Mr LEWIS replied:

(1) (b).

(2) Development concept opportunities and constraints
Development program
Understanding of the project and the objectives of the State Planning Commission and the City of Belmont.

(3) Prior to the end of January 1995.

LAND - KIMBERLEY, MISSION LANDS FOR ABORIGINAL COMMUNITIES, NEGOTIATIONS

1821. Dr WATSON to the Minister for Aboriginal Affairs:

(1) What is the current status of negotiations with the Bishop of Broome about the mission lands for handover to the five Aboriginal communities in the Kimberley?

(2) Who is acting for each community?

(3) How much has been spent by government to date in lawyers' fees for these negotiations?

(4) When are negotiations expected to be completed?

(5) When did they start?

Mr PRINCE replied:

(1) All parties have reached an agreement in respect of the areas that are to be transferred.

(2) Dr Clive Senior of Minter Ellison Northmore Hale acts on behalf of Beagle Bay, Lombadina/Djarindjin and Bidyadanga communities. Unmack and Unmack currently act on behalf of the Wirrimuna Community who, in the past, have utilised the services of Dr Clive Senior and the Aboriginal Legal Service.

(3) $42 716.

(4) Negotiations have been completed. Transfer documentation is being prepared.

(5) 1976.

ARTS, DEPARTMENT FOR THE - ARTS INDUSTRY, FUNDING POLICY

1837. Ms WARNOCK to the Minister representing the Minister for the Arts:

(1) When can the arts industry in Western Australia expect a clear arts funding policy framework from this Government?

(2) On what basis does the Government fund arts agencies in Western Australia?

Mr NICHOLLS replied:

The Minister for the Arts has provided the following reply -

(1) A clear policy was enunciated at the 1993 election. I am implementing the coalition's arts policy, released prior to the last election. The policy gives clear directions for the State. I am keeping this policy under review and will in due course update it.

(2) Arts agencies are arts organisations which have secured a commitment from the department for ongoing funding for their program of activities and which receive an annual allocation exceeding $50 000. Arts agencies have an annual program of activities, and have demonstrated a capacity to meet their stated artistic goals and to manage their financial resources effectively. All arts agencies must be legally incorporated, non-profit distributing organisations. I am currently developing triennial funding contracts for arts agencies to provide greater opportunity for forward planning.

HOSPITALS - HEATHCOTE
Maintained by Health Department

1838. Dr GALLOP to the Minister representing the Minister for Health:

(1) Is Heathcote Hospital still being maintained by the Health Department?

(2) If yes -

(a) for how long will this arrangement continue;

(b) what is the total cost for the department;

(c) which part of the Health Department budget is meeting the cost?

Mr MINSON replied:

The Minister for Health has provided the following reply -

(1) Yes.

(2) (a) Until the Government Property Office decides on the future use of the site.

(b) Until the public tender results for a security and maintenance service are available - mid December 1994 - it is not possible to provide details on cost.

(c) Approved funding allocation from the Heathcote Hospital Service devolution.

HOSPITALS - FREMANTLE
Alma Street Centre, Soundproofing

1839. Dr GALLOP to the Minister representing the Minister for Health:

(1) Was soundproofing part of the building specifications for the Alma Street Centre?

(2) If yes, has the work been completed?

(3) If not, why not?

(4) Will there be problems in respect of privacy and confidentiality if the work is not done?

Mr MINSON replied:

The Minister for Health has provided the following reply -

(1)-(2) Yes.

(3)-(4) Not applicable.

HOSPITALS - FREMANTLE
Alma Street Centre, Air-conditioning Contract

1841. Dr GALLOP to the Minister representing the Minister for Health:

(1) Who won the contract to provide air-conditioning for the Alma Street Centre?

(2) What was the total value of the contract?

(3) How many firms submitted bids for the work?

(4) Who assessed the bids?

(5) Did the winning contractor submit the lowest offer?

Mr MINSON replied:

The Minister for Health has provided the following reply -

Supply only of fan coil units -

(1) Ausac Pty Ltd.
(2) $216 186.25.
(3) Five.
(4) BMA.
(5) Lowest conforming tender - Ausac Pty Ltd.

Supply and installation of total air-conditioning system -

(1) Part of main contract awarded to Cooper and Oxley. Subcontractor Mathew Hall.

(2) $1.1m - all mechanical services.

(3) Unknown - known only to Cooper and Oxley as a "bulk contract" was called.

(4) Tender cost assessment by Cooper and Oxley as part of its total tender price. Technical competence of subcontractor assessed by BMA.

(5) Yes, lowest conforming tender submitted by Cooper and Oxley.

HOSPITALS - FREMANTLE
Computer Technology Contract

1842. Dr GALLOP to the Minister representing the Minister for Health:

(1) With reference to answer to question on notice 1524 of 1994, how many bids were lower than that of Fujitech?

(2) In what ways did the other bid(s) fail to conform with the tender?

(3) Who assessed the bids?

Mr MINSON replied:

The Minister for Health has provided the following reply -

(1) Four.

(2) One offer failed to make a bid for all the items specified and, therefore, did not meet the specified requirements. The other offers did not meet the specified quality assurance certification requirements and consequently did not comply with the conditions of tender.

(3) Fremantle Hospital assessed the offers received. The Health Supply Contracts Committee and the State Supply Commission's tenders committee subsequently reviewed and endorsed the hospital's recommendation.

HEALTH DEPARTMENT OF WESTERN AUSTRALIA - RADIATION SECTION
Report; Changes

1843. Dr GALLOP to the Minister representing the Minister for Health:

(1) Has the Government considered the report on the radiation health section of the Health Department?

(2) If yes, what changes will be made?

(3) Will there be any staff reductions?

(4) If yes, in what areas?

Mr MINSON replied:

The Minister for Health has provided the following reply -

(1) The report referred to was a consultancy report which has been considered but not adopted by the Health Department.

(2) The Health Department is considering changes which will increase efficiency and improve standards in the radiation health section.

(3) There will be no staff reductions as a result of the consultant's report.

(4) Not applicable.

LAND - HERNE HILL, GREAT NORTHERN HIGHWAY-RAILWAY, ZONED URBAN

1869. Mr KOBELKE to the Minister for Planning:

(1) When was the small area of land in Herne Hill between Great Northern Highway and the railway zoned urban?

(2) Is it proposed that this land retain the same zoning under the Swan Valley legislation promised by the Government?

(3) If not, then what is the proposed zoning and by what means will the zoning be changed?

Mr LEWIS replied:

(1) Most of the area referred to in Herne Hill was shown as urban in the metropolitan region scheme when first gazetted in 1963. The balance of the current urban zone was in a 1981 consolidation of the metropolitan region scheme.

(2) Yes.

(3) See answer to (2).

LAND - NORTH OF ELLENBROOK DEVELOPMENT, ZONED RURAL

1870. Mr KOBELKE to the Minister for Planning:

For what purpose was an area of land at the north of the Ellenbrook development, adjacent to the transport corridor and between the areas zoned for parks and recreation, zoned rural?

Mr LEWIS replied:

The land was proposed to be transferred from the urban deferred to the rural zone in MRS amendment 950/33 for the north east corridor, as it was believed to be more suited to rural-residential than urban use. However, in view of the strength of the submissions received on amendment 950/33 the Metropolitan Planning Council resolved in October 1994 that the land be included in a future amendment as parks and recreation.

METROPOLITAN REGION SCHEME - MAJOR AMENDMENTS
Whiteman Park, Zonings

1871. Mr KOBELKE to the Minister for Planning:

(1) What is the area of land from Whiteman Park which will be used for the Perth/Darwin Highway and zoned controlled access highway reservation under the major amendment currently before the Parliament?

(2) What is the area of Whiteman Park which will be zoned urban deferred by the major amendment currently before the Parliament?

(3) What is the area of Whiteman Park which will be zoned rural by the major amendment currently before the Parliament?

(4) What is the area of Whiteman Park which will be zoned public purpose (SU) reservation by the major amendment currently before the Parliament?

Mr LEWIS replied:

(1) 54.9675 ha.

(2) 4.4073 ha.

(3) 28.1255 ha.

(4) 21.6510 ha.

STROKE HOUSE, CARLISLE - FUTURE

1877. Dr WATSON to the Minister representing the Minister for Health:

Now that the Stroke Association of WA (Inc) has been dissolved, what is to be the fate of Stroke House in Carlisle?

Mr MINSON replied:

The Minister for Health has provided the following reply -

The Stroke Association of Western Australia has not been funded by the Health Department since 1992-93, at which time an annual payment of $10 000 was made to employ a part time resource officer. I have been advised by the department that funding for Stroke House in Carlisle comes from the proceeds of the sale of a previous Stroke Association house, which had been funded by the Lotteries Commission.

The future of Stroke House will be determined according to the dissolution provisions of the Associations Incorporation Act 1987. The Minister for Health has no capacity to influence this process.

GOVERNMENT DEPARTMENTS AND AGENCIES - OPINION POLLS

1891. Dr GALLOP to the Minister for Labour Relations; Works; Services; Multicultural and Ethnic Affairs:

What opinion polls or surveys have been conducted or commissioned by the Minister's departments or agencies since 1 January 1994?

Mr KIERATH replied:

The Department of Productivity and Labour Relations has commissioned a two part survey to measure the general public's awareness of aspects of the State's industrial relations legislation in January and November 1994. This survey has been conducted by the Roy Morgan Research Centre Pty Ltd. Various other client surveys have been conducted by the department itself in 1994 to measure client needs and satisfaction. Details of these can be provided if required.

The Office of the Commissioner of Workplace Agreements conducted a survey of parties with registered workplace agreements in early August

1994. This survey was to assist in evaluating the effectiveness and efficiency of the Workplace Agreement Program, and the results are reflected in the commissioner's annual report for 1993-94.

The Department of Occupational Health, Safety and Welfare has had one survey undertaken on its behalf since 1 January 1994. The Centre for Health Promotion and Research at Curtin University of Technology has undertaken an evaluation of the department's package of occupational health and safety resource material for schools. The materials are targeted to years 11 and 12 work studies students and teachers, and a sample of these students and teachers were surveyed to assess the effectiveness of the materials.

The Department of Occupational Health, Safety and Welfare has also commissioned Roy Morgan Research to undertake market testing of draft preventive publications. A survey has not been used in this case, the information being collected through the use of focus groups.

WorkCover WA has conducted the following surveys since 1 January 1994 -

A survey of approved vocational rehabilitation providers on the rehabilitation system.
A survey of injured workers on rehabilitation services.
A survey of registered employers on workers' compensation information.

The Building Management Authority has commissioned only one survey since 1 January 1994. This was a customer satisfaction survey completed by other government agencies in June 1994. Ongoing customer satisfaction surveys are conducted by BMA staff on specific services or projects on a one by one basis.

The Department of State Services undertakes regular customer surveys to measure performance and client satisfaction. No polling is undertaken. Since 1 January 1994, customer surveys were conducted in the following areas: Perth Observatory, Mail West, State Microfilm, State Supply Disposal Centre, State Government Bookshop, Supply West, State Print, Bureau Services and the State Supply Commission. The State Supply Commission also conducted a survey on raising awareness of supply policies, such as quality assurance and use of recycled products.

ROTTNEST ISLAND - ABORIGINAL BURIAL GROUND

1918. Dr WATSON to the Minister for Aboriginal Affairs:

(1) What is the status of negotiations to conserve the Aboriginal burial ground at Rottnest Island?

(2) What interim plans have been made to conserve the burial ground?

(3) Is the Minister aware that there is a demand for information about the history of the prison and burial ground yet no brochure is available?

(4) Is he also aware that information is no longer provided on the ferries' public address systems?

(5) Will he rectify these gaps in provision of important information?

Mr PRINCE replied:

(1) The heritage and culture division of the Aboriginal Affairs Department - previously the Department of Aboriginal Sites - together with the Rottnest Island Deaths Group and the Rottnest Island Authority, is currently fencing the Aboriginal prisoners' burial ground on Rottnest Island. This work is due to be completed tomorrow.

(2) Not applicable.

(3) The Department of Aboriginal Sites produced a flyer on the Rottnest Island prison and cemetery that has been provided to the Rottnest Island Visitor Centre. It also produced a poster and a 15 minute video on the Aboriginal history of Rottnest and the cemetery, both of which are available to the public.

(4) The Department of Aboriginal Sites has made several attempts to get better information on the ferry regarding the Aboriginal history of the island. However, the decision on what information is passed on to the public lies with the ferry operators.

(5) The Aboriginal Affairs Department is continuing to pursue these issues.

QUESTIONS WITHOUT NOTICE

MEMBERS OF PARLIAMENT - MEMBER FOR WANNEROO
Premier's Confidence in

599. Mr McGINTY to the Premier:

Does the Premier still have full confidence in the member for Wanneroo?

Mr COURT replied:

Yes, I do.

WANNEROO CITY COUNCIL - RECYCLING COLLECTION LIST, PLASTIC CONTAINERS REMOVAL

600. Dr HAMES to the Minister for the Environment:

(1) Is the Minister aware that at the Wanneroo City Council meeting on 13 July 1994 the council passed a motion to remove all plastic containers from the recycling collection list?

(2) Can the Minister explain the reason for this and does he support the action the council has taken?

Mr MINSON replied:

(1)-(2) I thank the member for some notice of the question. Unfortunately the information has not come through so I cannot give him the answer. However, I can tell the member this.

Several members interjected.

Mr MINSON: It is not a dorothy dixer.

Several members interjected.

The SPEAKER: Order!

Mr MINSON: I am a little concerned about the information that there is some reluctance to collect recyclable plastics and I have asked for an explanation. I rather suspect that the information has not come to hand due to negotiations going on between the Wanneroo City Council and the Office of Waste Management. When the information comes back I will provide it to the member. I can see no excuse for any council not to be collecting all material that is capable of being recycled.

WANNEROO CITY COUNCIL INQUIRY - MEDIA REPORTS
Minister for Police, Discussions with Member for Wanneroo

601. Mr McGINTY to the Minister for Police:

I refer to media reports in recent days about the member for Wanneroo, his spouse and the former Mayor of Wanneroo and ask -

(1) Has he discussed these matters with the member for Wanneroo?

(2) If so, when and what was the nature of these discussions?

Mr WIESE replied:

(1)-(2) The only discussions I have had with the member for Wanneroo about this matter, but not in any way specific to the matter, were on the night it happened, which was probably the Tuesday night after the Channel 9 television broadcast had gone to air. The basis of it was, "What on earth is going on?" I said I could not tell him anything of what was going on because I was not aware of it. That is the sole discussion I had with the member for Wanneroo on this whole matter.

I reiterate what I said yesterday: This is an ongoing investigation, as the Leader of the Opposition is obviously well aware. Any discussion on this matter, while the investigation is current, is not proper either in this Parliament or in the public arena. The police must be given the opportunity to complete the inquiry, and we must let this matter proceed to a proper conclusion.

LIBRARY AND INFORMATION SERVICE OF WESTERN AUSTRALIA - INTERNET, PUBLIC LIBRARY ACCESS

602. Mr OSBORNE to the Attorney General representing the Minister for the Arts:

One of the major changes in the new Internet communications system is that bulletin board electronic publishing is increasing, providing almost instant access and feedback for millions of people across the world. Despite the fact that access to Internet is essential for scholarly communication, and that studies indicate country people will be among the new information poor in the coming age of electronic communication, the Library and Information Service of Western Australia will not offer public libraries access to Internet. Will the Minister advise what action the Government will take to connect public libraries and, through them, country people, to this increasingly important source of information?

Mrs EDWARDES replied:

I thank the member for some notice of this question. I was at a function on Saturday at which the member was asked a question on this subject by a public librarian, who has a particular interest in the matter. I have received the following information from the Minister for the Arts.

The current computer systems of the Library and Information Service of Western Australia are up to 10 years old. In the 1993-94 Budget the Government provided $2.4m for capital works to enable LISWA to not only replace, but also enhance its computerised systems. Negotiations are proceeding with preferred suppliers for solutions which include increased use of networking services, including the Australian academic research network and Internet, commonly known as the information superhighway. The State Librarian has personally briefed public librarians on this project several times, and indicated it will not be possible for LISWA to provide new services for at least 12 months while the planning, tender process and initial implementation phases proceed. It was suggested that should public librarians wish to access Internet immediately, they could make their own arrangements. At no time has LISWA communicated a policy decision on the provision of its services to public librarians in relation to Internet, and at this stage it has not developed a policy position. LISWA has been connected to the government AARNet/Internet mode since June 1994 for the purposes of evaluating tenders and investigating how LISWA would use the complex and confusing range of services. As Internet is an unmanaged, user pays network of information services, it is necessary to define the services and exactly how they would be used and paid for.

The Federal Government has a range of groups investigating network potential and LISWA is closely monitoring these developments and contributing whenever possible. Before the State Government considers allocating funds to connect local government via the Internet, to develop new interfaces, and to train and support staff, it is necessary to take the time to examine the many issues carefully. LISWA plans to set up consultative groups to identify and investigate these issues, develop a policy model for the Library Board of Western Australia, and negotiate with potential suppliers of appropriate interfaces to ensure equity of access. However, should any local government authority wish to use Internet, several commercial services are currently available. Indeed, three public libraries in Western Australia are already using Internet. The Government needs to proceed more slowly on a statewide basis to ensure that any services offered are available to all local government authorities, and that any funds allocated to technology do not diminish the quality of the book stock available in public libraries.

MANN REPORT - MEMBER FOR WANNEROO'S FINANCES
Kyle Inquiry, Reopening

603. Mr McGINTY to the Premier:

I refer to the fact that police have seized the Stephen Mann report on the finances of the member for Wanneroo from the Ministry of the Premier and Cabinet - a fact which the Premier kept from the Parliament - and I ask -

(1) Does the Premier still maintain that the Mann report gave the member for Wanneroo a clean bill of health, despite the obvious interest shown in it by the Police Department?

(2) Will the Premier reopen the Kyle inquiry so that it can complete its work now that the former Mayor of Wanneroo is available to give evidence?

Mr COURT replied:

(1)-(2) The Leader of the Opposition is good at twisting things. He knows only too well that I made a public statement when the Mann report was issued, saying that the people involved had not been able to verify all the details because they did not have all the available information at the time. The Government always said that the report would be passed to the police, and that was done as soon as we received it.

COMMUNITY DEVELOPMENT, DEPARTMENT FOR - STAFF, INDUSTRIAL ACTION THREAT

604. Mr BOARD to the Minister for Community Development:

Is the Minister aware of the report in this morning's *The West Australian* which asserts that staff from his department are "threatening to step up industrial action"? Is there any truth in this assertion?

Mr NICHOLLS replied:

I thank the member for some notice of this question and for the specifics of the question, because it is important that members be aware that not only is there no threat of escalation from the staff, but also there is a clear indication from the Civil Service Association that it is backing away from these bans. The State Secretary of the Civil Service Association, Dave Robinson, said yesterday on ABC Radio that the bans meant that staff would refuse only to fill out the statistical information required by the case management protocols for homeless young people at risk. That is a long way removed from the ban that the union was demanding. The original instruction was that staff ban the implementation of the protocols. In

defence of the reputation of the Department for Community Development staff, I inform the House that no DCD officer has refused to implement the case management protocols, and I do not expect that any officer ever will refuse. If the union would take the sensible step of lifting the pretence of these bans and approaching the department's executive about its concerns, I am sure it would be able to resolve some of these issues.

Mr Brown: Will you negotiate with it now? It has been asking for negotiations for eight months.

Mr NICHOLLS: The member for Morley may not be aware, although he probably has a good contact in the CSA, that these bans were imposed without any consultation with the department. The department is doing a considerable amount of work to ensure that staff workloads are appropriate and that any anomalies which arise are dealt with through effective management.

This is not a Western Australian issue. This issue has emanated from the Eastern States, not from staff in Western Australia. Dave Robinson said to Jim Shaw on ABC Radio yesterday -

> I should also say, Jim, this is not just a WA ban, this is a national ban.

The union has implied that this ban was instigated by the staff of DCD, yet the state secretary has made it quite clear that it is a national ban. That indicates the absurdity of the matter. I will be interested to know whether members opposite, particularly the member for Morley and the Leader of the Opposition support the bans that the union has tried to put in place to prevent the staff of DCD from helping young people at risk.

Mr Brown interjected.

The SPEAKER: Order! I formally call to order the member for Morley.

Mr NICHOLLS: At least one member opposite is willing to admit that the Labor Party is aligned with these bans imposed by the union. I reiterate that the staff of DCD are standing by their ethical responsibilities and ensuring that no young person is rejected. It is a pity that members opposite do not have the backbone to stand up to their mates in the union and tell them to lift the bans, stop being stupid, and allow young people in Western Australia to receive the service which they deserve.

HEALTH DEPARTMENT OF WESTERN AUSTRALIA - REGIONAL HEALTH SERVICES

Coordinators Appointment

605. Mrs HENDERSON to the Premier:

Following the granting of an injunction by the Supreme Court last Tuesday to restrain the Minister for Health from proceeding to fill positions for various coordinators of regional health services in the metropolitan area -

(1) Will the Premier immediately instruct the Minister to act within the powers given to him by Parliament and desist from making substantial changes through unauthorised administrative action?

(2) Is this just one more reason that the Minister is on the Premier's hit list for a Christmas Cabinet reshuffle?

Mr COURT replied:

(1) I am not aware of the ruling and therefore do not know the detail the member is asking for in the first part of the question.

(2) The second part of question is just a nonsense.

TRANSPORT WORKERS UNION - OFFICIAL, PENALTIES

606. Mr BLOFFWITCH to the Minister for Labour Relations:

(1) Is the Minister aware of the magistrate's decision regarding the penalties handed out to a union official for offences under section 96E of the Industrial Relations Act?

(2) Can the Minister inform the House of these penalties?

Mr KIERATH replied:

(1)-(2)

Members might remember last year on 27 November, I think, the front page of *The West Australian* was headed "Police threat to truck picket lines". That headline was about a truck driver who had his truck rammed and was physically assaulted by some disreputable union officials while trying to go about his normal line of business. That disgraceful action would disgust most average Australians, but it would not disgust the members of the Labor Party.

I am proud to announce that on 3 November this year the case had its final result in the Industrial Magistrate's Court where the official from the Transport Workers Union - the same union engaged in the most outrageous 15 per cent claim for a pay rise - was fined $750 on each charge and given 30 days in default.

Mr Graham interjected.

The SPEAKER: Order! I formally call to order the member for Pilbara.

Mr KIERATH: These are significant penalties for what we on this side of the House consider to be a very grave offence. The magistrate added in his summing up that the individual concerned had shown no remorse and no mitigating factors had been presented in his defence. That sort of behaviour brings the trade union movement into disrepute. It reinforces some people's views that some unions in the State attract and condone that sort of illegal behaviour. Does the Leader of the Opposition support that behaviour? Does he support section 96 of the Industrial Relations Act?

Mr McGinty: I do not support Ministers committing arson by burning their records.

Mr KIERATH: He does not support section 96 of the Act; he supports thuggery, physical assault and action which discriminates against people. Can members guess who was defending the trade union official? Mark Cuomo, the State President of the Australian Labor Party was defending it.

Mr Brown: This is disgraceful.

Mr KIERATH: I can understand the sensitivity of the Leader of the Opposition, when his state president is defending what can only be called abhorrent and disgusting behaviour to most people.

Mr Brown interjected.

Withdrawal of Remark

The SPEAKER: Order! I formally call to order the member for Morley and direct him to withdraw that remark.

Mr BROWN: I am not sure what the remark was.

The SPEAKER: The use of the word idiot.

Mr BROWN: I withdraw the use of the word idiot.

Questions without Notice Resumed

The SPEAKER: I expect the Minister is drawing his answer to a close.

Mr KIERATH: I am, Mr Speaker, but it is hard work with this undisciplined mob opposite who cannot control themselves. I remind the House that men and women in this State can go about their legal business. The law will ensure they do that.

The magistrate's ruling sends a very clear message to other union officials contemplating such action that it will not be tolerated. It is not above the law. I can understand the sensitivity of members opposite with a former Labor Premier and Deputy Premier in gaol and a prominent trade union official having been convicted. It is about time members opposite lifted their game and acted responsibly.

CROWN SOLICITOR'S OFFICE - PRIVATISATION

607. Mr BROWN to the Attorney General:

(1) Will the Attorney General advise the House whether she is continuing to privatise the Crown Solicitor's office, despite strong condemnation of her idea from the Opposition and the WA Law Society?

(2) Why has she taken so long to act given that three months ago *The West Australian* reported that she would be soon seeing a BDO Nelson Parkhill report recommending privatisation?

Mrs EDWARDES replied:

(1)-(2)

I have responded to the member's question on notice about this matter. I have not yet received the BDO report on the Crown Solicitor's Office. The Crown Solicitor and the Director General of the Ministry of Justice are still working through that report. Once they have done that, they will send their report and their recommendations to me.

RAILWAYS - *AUSTRALIND* SERVICE

608. Mr BRADSHAW to the Minister representing the Minister for Transport:

Is the *Australind* train service under threat as alleged recently by the Leader of the Opposition?

Mr LEWIS replied:

The Leader of the Opposition makes these rather irresponsible comments that have absolutely no foundation. On behalf of the Minister for Transport and the Government, I inform the House that the Government is committed to maintaining the *Australind* and improving that service for the benefit of the people who live in the south west region.

RETAIL TRADING HOURS - REVIEW, TABLING

609. Mrs HENDERSON to the Premier:

(1) In the interests of open and accountable government, will the Premier instruct the Minister for Fair Trading to table in Parliament the independent review of trading hours as required by the Retail Trading Act, which the Minister has had in his possession since 5 August this year?

(2) Will the Premier ensure that this occurs to allow public discussion of the recommendations of the review before Cabinet makes a decision on retail trading hours?

Mr COURT replied:

(1)-(2) A review was required under the legislation and that will be made public.

Mrs Henderson: When?

Mr COURT: Within a few weeks. The Government's position will also be made known in about the same time frame.

RADIO 990AM - GOVERNMENT ASSISTANCE APPROACH

610. Mr DAY to the Minister for Disability Services:

Information Radio is a radio service for people with a sight and print impairment.

(1) Has the Minister or the Government been approached by the management of Information Radio 990AM to provide financial assistance to enable it to continue to maintain its service?

(2) What action has been taken to address these needs?

Mr MINSON replied:

(1) Yes, the Government has been approached by the management of Information Radio and has responded.

(2) The Government has made a one-off grant of $30 000. However, in making that grant, the best way the Government can help Information Radio is to use its services in a genuine and positive way. I have written to my ministerial colleagues and to the heads of departments to ask them to see whether some information can be provided to their clientele who use Information Radio and then buy time, thereby, in a genuine and commercial way, assisting Information Radio to continue to operate. I do not generally support grants for operations of this kind. I would rather give assistance on a merit based approach. However, this is probably the most sensible way that we can handle this issue because Information Radio performs a very useful service. There is a lot of Government information that needs to be disseminated to those people who have sight impairments, in particular. I believe Information Radio is an appropriate use of government funds to get that information out.

RADIO 6PR - SALE
Radio 6IX, No Staff Changes

611. Mr MARLBOROUGH to the Minister for Services:

I refer to the Minister's decision to sell 6PR to interstate interests and his claim that the sale is conditional on maintaining local staff and programs and ask -

(1) Will the Minister guarantee that no jobs will be lost at 6IX or 6PR as a result of this transaction?

(2) Is it not true that the conditions on the sale by his department's admission are completely worthless and unenforceable?

(3) Will the Minister resign if any of the conditions of sale are breached or avoided?

Mr KIERATH replied:

(1)-(3) As to the last part of the question: The member would not be so lucky. This question shows the incompetence of the Opposition spokesman on Services. He does not seem to understand some of the processes. First of all, I cannot give a guarantee about the job situation; but, as part of its submission, the successful bidder gave assurances to maintain the current staffing levels for 12 months.

Mr Marlborough: That is not worth the paper it is written on.

Mr KIERATH: The member for Peel does not understand the difference between a bid and a contract. We tabled the papers containing all of the information in this House, and we knew the member for Peel would get it wrong. We knew that if he read it, he would misinform others about it. He took a document put out by a policy officer and referred to it in this House and on the radio as a legal opinion. It is not. I tabled all of the

advice which supported, and also went against, the decision so that the process was an open one.

I will explain a couple of things to the member for Peel. He does not have one business bone in his body. He does not understand that two things threaten radio stations: Firstly, his federal Labor Government colleagues could change the rules, which will have a major effect on this proposal. The offer was conditional upon the federal Labor Government not changing the rules yet again. Secondly, should any constraints placed on the radio station prevent it from maintaining its position in the marketplace, we would be silly to tie its hands behind its back. Our only interest in the radio station is whether it is a viable, profitable concern. We on this side of the House find that concept easy to understand; those on the other side have never understood it.

There is no better example of that than the part of the question which asked what I would do about the job situation at 6IX. Even the member for Peel would not be so silly as to think that I could influence that situation. Radio station 6IX is in the private sector; in other words there is no possible way - even if I had a desire to - that I could influence what happens to the staff at 6IX. The member for Peel does not understand the areas for which he is the spokesman.

Several members interjected.

The SPEAKER: Order! I formally call to order the member for Peel.

Mr KIERATH: I can understand his sensitivity. He was incompetent as the spokesman for labour relations and he has now been shown to be incompetent in the services area. He should join the member for Marangaroo and the member for Rockingham and give up all of his shadow spokesman responsibilities. He does his leader no credit all. He does not understand his portfolio.

Several members interjected.

The SPEAKER: Order! I formally call to order the member for Peel for the second time.

Mr Brown: The Minister has not finished yet?

Mr KIERATH: The member for Morley will get his turn.

The SPEAKER: Order! I ask the Minister to bring his answer to a conclusion.

Mr KIERATH: I can understand the sensitivity of the member for Peel. He does not have a basic understanding of labour relations and he certainly does not understand the Services portfolio. These matters should be given to another member of the backbench who has a better understanding of them than does the member for Peel.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE, DEPARTMENT OF - INSPECTORATE, ROLE CHANGE

612. Mr MARSHALL to the Minister for Labour Relations:

Has the role of the inspectorate of the Department of Occupational Health, Safety and Welfare changed since the election of the coalition Government, as has been alleged by the unions?

Mr KIERATH replied:

I thank the member for notice of the question. We saw a major demonstration outside Parliament House yesterday by the trade union movement.

Mrs Henderson: It was against you.

Mr KIERATH: Yes, it was. The organisers reckoned they would get 3 000 people to attend and the media said that there would be closer to 1 500. I asked people in the know about these things and they said that between 600 and 700 people turned up. The building and construction unions have been claiming that the Government has made a change in occupational health and safety policy. The current enforcement policy is exactly the same as the enforcement policy in 1991 when the member for Thornlie was Minister.

I turned to the Estimates Committee debate to make sure. The Opposition and the unions claim that there has been a change - and the silly Opposition went along with the claim and did not bother to verify the facts. During debate at the Estimates Committee the member for Thornlie said that the main activity was targeted operations; that officers would investigate serious accidents and call-out complaints but they would not go around on spec looking at places as they did in the past because they wanted to connect it with workers' compensation to get a good balance. She said that the officers targeted companies with a poor record and that they should resolve the immediate disputes through workplace safety committees before calling in the inspector. That is the same policy we administer today; there has been no change. It was good enough in the years of the Labor Government but it is not good enough any more!

The claims are untrue. In August this Government introduced the new Jobsafe plan for companies to check on occupational health and safety practices. Ultimately, the system will be used to measure safety performance in the workplace. The Government should be congratulated for that.

Mr Catania interjected.

Withdrawal of Remark

The SPEAKER: Order! I call on the member for Balcatta to withdraw his comment that the Minister is making stupid remarks. I ask him to withdraw without equivocation.

Mr CATANIA: I withdraw.