

Legislative Council

Wednesday, 4 August 1993

THE DEPUTY PRESIDENT (Hon Barry House) took the Chair at 2.30 pm, and read prayers.

RULING - BY THE DEPUTY PRESIDENT

Point of Order - Minister for Education, Documents Tabling, Papers Removal

THE DEPUTY PRESIDENT: Last night, before the House adjourned, Hon Tom Stephens raised a point of order relating to the tabling of documents by a Minister, Hon N.F. Moore, in the course of an earlier debate. Briefly, the member's complaint was that after the document was tabled the Minister removed part of the document, with the result that the document is not that which was tabled. Although the member referred to Standing Order No 43, that standing order is not in issue. However, Standing Order No 47 does apply. Materially, it reads -

A document relating to public affairs quoted from by a Minister . . . may be called for and made a public document.

Parliamentary authorities in Australia, New Zealand and the United Kingdom agree with the statement of principle in Erskine May that -

A Minister of the Crown may not read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the Table.

It should be noted that principle is stated imperatively; that is, if a Minister does not want it made public by tabling, he should not use it.

The exceptions are contained within the rule. First, the document used must relate to "public affairs". In its broadest sense, the document must relate to the government of the State; to public administration. Given the context of last night's debate and the nature of the document, I could not hold that the document is other than one relating to public affairs, in this case involving the Minister's own portfolio. The second exception is where the Minister states that the document is of a confidential nature. In context, "confidential" means that publication would be contrary to the public interest, in the Minister's opinion - not, I should emphasise, the opinion of the Chair. The Minister has sought to withhold part of the document on this ground, a point I shall deal with later. The third exception involving an Address is not relevant in this case and would rarely be used these days, when statutory rather than prerogative powers are customary.

The document in question is a collection of papers with different authors. The papers are identified in a digest forming part of the document. It is clear that the Minister quoted from some of the papers in the course of his speech. By way of interjection, Hon Tom Stephens asked the Minister -

Would you be prepared to table the file from which you are quoting?

The Minister replied -

Yes, I am happy to do so.

Answering a repetition of the question, the Minister continued -

Yes, everything. I would like the member to read it. There is nothing secret about this . . .

At the conclusion of his speech, in response to Hon Tom Stephens' request to table the document, the Minister said -

I am happy to table the document.

It is clear that at this point there was nothing in what the Minister had said to indicate that he had any reservation about tabling the document in full. The Minister tabled the

document as he had it during the debate. To avoid any doubt as to when a paper is actually tabled, a paper is tabled when the member offering or being required to table it parts with its possession to enable it to be placed physically on the Table of the House.

A short time after the document was tabled, the Minister retrieved it and, it seems, removed some papers from it before returning it to the Clerks. Those papers were identified by Hon Tom Stephens when speaking to his point of order.

There are two grounds supporting the point of order. First, although a Minister may quote selectively from the document, the whole document must be tabled. If it were otherwise, the context of the quotes could be lost and a false or misleading impression created. I believe that this underlies Erskine May's statement given earlier that a Minister must be prepared to make available to the House the document from which he or she chooses to quote. Second, the Minister stated that he was willing to table the document as it was when he used it, and did in fact table the document in the sense that I have explained when tabling actually occurred.

Unfortunately, it is not open to the Minister to claim confidentiality for part of the document after tabling occurs. That claim must be made before tabling. I have no doubt that the Minister, acting on advice given at the time, acted from the best of motives in removing papers from the document, and the House should accept that the Minister did not believe that he was obliged to table any part of the document, confidential or not, that had not been quoted from. I also believe that the Minister thought that tabling had not occurred at the time that he removed the papers. There is nothing to suggest that the Minister intended to mislead the House intentionally or inadvertently. Nevertheless, for the reasons I have given I must uphold the point of order raised by Hon Tom Stephens. Accordingly, the Minister must table the balance of the document.

HON N.F. MOORE (Mining and Pastoral - Minister for Education) [2.38 pm] - by leave: Thank you, Mr Deputy President. I accept your ruling, but I wish to explain to the House the circumstances behind this matter.

Yesterday I brought into the House a file which contained a number of discrete items and pieces of information, including a number of responses provided by various organisations in the community in respect of the Vickery report. Although I did not realise it at the time of making my speech, it also contained some advice provided to me by some officers of my various departments. When I offered to table the file and to make it available to the honourable gentleman who requested it, I was making the offer on the assumption that the file contained only the advice of a number of agencies from which I had quoted during my speech. When I finished my speech I provided the file to the attendant. I then realised that the file may well contain more than the documents I thought were in it, so I thought I would quickly check that to make absolutely certain. I asked the attendant for the file back and discovered that it contained advice to me from officers of various departments. I then sought advice as to what I should do in the circumstances. The advice was that I did not have to table the particular parts of the file, and I removed them and returned the file to the table.

Your ruling, Mr Deputy President, is of course correct and I will retable those documents. Let me make very clear the reason that I sought to have the papers removed. It was not because of what the documents say but because the documents were provided to me in confidence by officers within the Ministry of Education and other agencies in the portfolio. I was not in any way seeking to hide their contents, but simply wanted to protect the interests of the officers who provided the information. They provided it to me in good faith on the basis that it was being provided to a Minister and without consideration of the fact that it might become a public document. To those officers whose documents will now be made public I apologise for my indiscretion and inadvertent action last night. That information provided to me about their views on the Vickery report will now be made public. I can assure them that it will not happen again. I have now learned to my regret the same lesson as did Hon Peter Dowding: one does not consider a file to be discrete items but a document. I am not in any way concerned about their content but about the fact that people provided them to me in confidence and

that confidence has now been broken. I hope that those people who have a significant interest in this matter will treat the documents accordingly and take into account that they were provided to a Minister by chief executive officers on the basis of the special relationship that exists between those people, as members opposite will appreciate. In those circumstances I retract the documents that should have been left on the file last night.

[See paper No 476.]

STATEMENT - BY THE MINISTER FOR TRANSPORT

Road Funding, Federal, State Allocation Cut

HON E.J. CHARLTON (Agricultural - Minister for Transport) [2.42 pm] - by leave: It is my duty to inform the House and the public of Western Australia of the dire consequences of last Friday's announcement by the Federal Government on State road funding. It is not my intention to overdramatise the event or the very serious ramifications it has for Western Australia. I will let the figures I present speak for themselves.

Early this year the Commonwealth released indicative road funding figures for the States. Western Australia, we were told, would receive in round terms \$102m for expenditure on national highways and arterial roads. The Main Roads Department calculated that this level of funds would be some \$50m short of what was needed to maintain existing building contracts and keep pace with planned road construction and maintenance. I met with the Federal Minister for Transport and Communications on two occasions to argue the State's case for more funds. I invited Senator Collins to Western Australia to see first hand the desperate need for these extra funds. He declined the invitation and instead sent some of his departmental people. On Friday last Senator Collins informed the State Government that Western Australia would receive a total of \$97.74m of a total funding pool of over \$1.1b. The Commonwealth has not only reduced our funding by more than \$50m on last year's amount, but it has also reduced by nearly \$4m the amount which it promised the State at the beginning of the year. The State's allocation is a 33 per cent reduction on last year's level of funding and about four per cent below what was promised to the State earlier this year. It is an insult. This State has been treated with absolute contempt.

Western Australia's share of the road funding cake this time around is a mere 8.2 per cent - a drop of 1.5 per cent on last year's funding. This decision is the latest in an alarming and growing trend that has seen Western Australia's share of Commonwealth road funding decline from 18 per cent prior to 1969 to less than half that amount today.

Point of Order

Hon GRAHAM EDWARDS: During the last Government my recollection is that statements similar to that being made by the Minister, as a matter of courtesy, were provided to the Opposition. I ask the Minister whether he is in a position to provide the Opposition with a copy of this statement.

The DEPUTY PRESIDENT (Hon Barry House): Order! It is not a point of order. It is a matter of arrangement between the Minister's office and the members, and I am sure that it will be attended to.

Debate Resumed

Hon E.J. CHARLTON: I had arranged for that to be done. If nobody has received this statement, I apologise. I intended to have it circulated earlier this morning. It will be done shortly. As I came straight into the Chamber from the suburbs, I did not check whether that had been done before I entered the Chamber.

The task of providing a good road system in a State the size of ours is a formidable one. Limited resources must be spread across a range of competing demands and the job is only hampered and frustrated by the kind of decision making we have seen in Canberra. These demands are being fuelled by a growth in the population of Perth which is approaching three per cent per annum and a Statewide growth in the road freight task of

10 per cent per annum. Compounding this, we are confronted with an ageing road network which will see an enormous upsurge in the need for road replacement over the next two decades. Modern roads have a life span of about 40 years. Some 14 per cent of Western Australia's declared highway and main road network is more than 40 years old. In other words, some roads have reached the end of their economic life. Failure to meet this need will see a rising toll of costs in terms of increased road accidents and higher transport costs.

In meeting these needs the level of road funding has emerged as the most crucial issue affecting the State's road network. The contribution of roads in the broader picture is worth noting. Roads play a vital role in Western Australia's social and economic development. Transport accounts for 10 per cent of the State's total gross domestic product. Because of the limited rail, sea and air alternatives, road accounts for a significant share of this task. The competitiveness of our export industries is dependent on good, reliable, domestic transport which generally accounts for between eight per cent and 10 per cent of total industry costs. Again, roads figure prominently.

The road freight transport industry accounts for 1.7 per cent of total employment, with indirect employment estimated to be three times this amount. Roads provide other important social benefits and, in the absence of alternative transport modes in the country, roads are the lifeline of many rural communities. Yet, for all of this, the Commonwealth continues to shirk its responsibility on road funding. Each year the Federal Government collects \$8b through its fuel levy, for which motorists pay 26¢ in every litre of fuel. It gives back to the States just 6¢ a litre for roads - and Western Australia receives a pittance of that.

National highways, which are the funding responsibility of the Commonwealth, will receive \$18m less this year than last year.

Hon John Halden: Can you say that again?

Hon E.J. CHARLTON: I should make it clear to members that that means not only is the Federal Government responsible but also it is an agreed principle that no State allocates any funds into national highways. That is the total responsibility of the Federal Government. As I was saying national highways will receive \$18m -

Hon N.D. Griffiths: How much?

Hon E.J. CHARLTON: The figure for national highways is approximately \$50m in total. I can provide the exact figure to the member. Western Australia's share will be down to 7.1 per cent of the total national highway funds available. However, 7.1 per cent of the total national highways fund is currently available to Western Australia. This is despite Western Australia's having 25 per cent of the total length of national highways, 10 per cent of vehicle kilometres travelled and 9.5 per cent of the population. Although the Commonwealth's One Nation package provided a substantial boost to road funding over the previous two years, not all the funds promised for Western Australian roads were received. An allocation of \$8m was made by the Commonwealth and was redirected from roadworks to finance the redevelopment of Subiaco oval. The Commonwealth's other funding programs for black spots, provincial cities and rural highways ended on 30 June 1993. The national arterial road program will cease on 31 December 1993, with the funds to be untied and paid at a lower level as part of the States' financial assistance grant. As a result, Western Australia will be a further \$46m worse off this year compared with last year. Major projects such as Kwinana Freeway, Reid and Roe Highways, Albany Highway and the Perth-Bunbury highway have been initiated under these programs, with the encouragement of the Federal Government. Large amounts of money are committed for their completion in the years ahead. It is intolerable that the Commonwealth should discontinue these programs at this time. I will be urging it to consider appropriate replacement programs. The State Government has responded to these circumstances by committing all of its untied funds from the Commonwealth to roads. As far as I am aware, we are the only State that has done that.

State funding for roads comes from vehicle licence fees and the fuel franchise levy.

While all vehicle licence fees are allocated to roads, only 63 per cent of the fuel franchise levy was allocated to roads in 1992-93 with the balance going principally towards funding public transport. Road funding from these sources has increased only marginally in recent years. Increases in vehicle licence fees have been kept below the inflation rate by the previous Labor Government, despite clear evidence of the mounting need for road improvements and the fact that the family package concession on vehicle licence fees has cost the road system \$15m per annum.

Hon John Halden: Does that mean you will scrap that?

Hon E.J. CHARLTON: In all, our roads have missed out on more than \$300m from State sourced funding since 1986. The present Government recognises this and is taking action to help remedy that. However, the bottom line is that the national road network remains a Federal responsibility which, in Western Australia's case, is not being met. Perhaps it is for political reasons because WA electors dared to vote for a conservative Government. Perhaps it is more blatant than that and the Labor Party is trying to woo New South Wales and Victoria, the States with the bigger populations. Perhaps it is a case of retaliation because we dared to take the fight for a better deal direct to Canberra. It disturbs me too that the Opposition -

Several members interjected.

The DEPUTY PRESIDENT (Hon Barry House): Order!

Hon E.J. CHARLTON: It disturbs me too that the State Opposition appears to support Canberra's actions. Hon John Halden's public assertion that the Department of Main Roads has overspent by up to \$20m is not only wrong, but also demonstrates his ignorance or misunderstanding of Federal allocations for national highway and arterial road projects. I have invited the State Opposition to join the Government on this issue to gain a better deal for Western Australians.

The Department of Main Roads' reassessment of national highway requirements for the next 10 years has revealed a widening gap between the needs and the funds likely to be available because of inaction by Federal and State Labor Governments. The funds to meet these national highway needs total \$770m over 10 years. Revenue forecasts from the Commonwealth over the same period total \$550m. That is a \$220m shortfall for which the Commonwealth must accept responsibility or accept the consequences of a deteriorating national highway system. As a result of the Commonwealth's latest round of road allocations, in the immediate future the Main Roads Department must reassess planned work on three national highways and seven arterial roads. Additionally, the spending priority for State owned roads in the Perth metropolitan area over the next decade includes several major projects identified in the Metroplan such as the Burswood Road and bridge project and associated opportunities to enhance Riverside Drive, the Causeway and the city; the completion of the Reid-Roe Highway orbital route; and extensions to Mitchell and Kwinana Freeways to service coastal corridor developments. Add to this list the demands for preserving, improving and constructing roads within the rural areas of the State -

Hon John Halden: They are not funded by the national Government anyway.

Hon E.J. CHARLTON: - and the expected bill is \$2.8b over 10 years compared with a forecast revenue of \$2b. This calculation includes provision for the untied Federal arterial road funds to be channelled into the roads over the next four years and for the progressive return of all State fuel franchise revenues to roads. The Government also has a responsibility to local government road programs and will continue to assist local authorities in meeting their road needs. The Government will be considering a range of options to address the future funding shortfall. These include further efficiency initiatives in the delivery of road programs and additional revenue options. My vision for roads in this State is to provide an improved road network for the people of Western Australia which maximises the economic, social and environmental returns on the road investment. The challenges confronting us over the next decade have been clearly identified and it is up to the Government at Federal, State and local levels to meet these

challenges. To do that we must drive every road dollar further, but this alone will not be enough to meet the need.

HON JOHN HALDEN (South Metropolitan) [2.57 pm] - by leave: I thank the House for granting me leave to respond to the Minister. I expected that the Minister would make this statement yesterday and took the opportunity to acquaint myself with the facts. The Federal Government road funding allocation for highways and arterial roads for this year is \$1.186m. This amount does not include the untied road grants to local government of around \$360m. That means that \$1.546b was allocated to roads in this country last year compared with \$1.527b in the previous year.

Hon P.R. Lightfoot: Is that million or billion?

HON JOHN HALDEN: It is billion. Much of the difference relates to the winding down of the One Nation road package from the \$408m last year to \$161m this year. Members should be aware that Western Australia received its road allocation funding under this package in one lump sum so that works could proceed. It is my understanding, I think along with the Minister, that an amount of about \$9m was announced originally which was not adhered to. It is unfortunate that the State Government was promised that allocation and then not given it. The changes in road funding that the Minister has referred to in his statement reflect a new level of road funding regarding the administration of the road programs. These new arrangements for Federal Government funding responsibilities will concentrate on an expanded national highway system. Those new arrangements arose from the Heads of Government meeting in the July 1991 special Premiers' Conference. Each level of government should be responsible for administering its own defined segment of the road network. That was the decision of the special Heads of Government meeting. As from 1 January 1994, the national highway system will receive an annual grant of \$820m with a further \$350m going to the States and Territories as untied grants. The untied allocation effectively replaces the national arterial and provincial cities and rural highways programs. I think the Minister will concur that it replaces it almost dollar for dollar.

Hon E.J. Charlton: Except that it is up to every State Government to do what it likes with that money now. The other States received a pro rata increase in funding. We have had a decrease and we were the only State that made a commitment to put it to roads.

Hon JOHN HALDEN: I agree with everything the Minister has said.

The Prime Minister announced in June 1992 that these amounts would be maintained in real terms for the following three financial years. A new national highways Act is being prepared which will define the national highway system and establish procedures for the planning, funding and performance monitoring of roadworks on the system. A key element of the arrangements is that the allocation of funds to the national highway system will be determined on the basis of national priorities. It is on that basis, whether we like it or not, that the Federal Government has decided that there are roads in the Eastern States which are far more used and in far worse condition than roads in this State and therefore have a higher priority for the attention of the Federal Government's funds. In the swings and roundabouts it is true that this year we will receive approximately 7.1 per cent or 7.2 per cent of the national funding. However, it is equally possible that, once those problems in other States are rectified, Western Australia's share will increase. Everyone in this country knows that Western Australian roads, particularly on the national highway system, are particularly good roads bearing in mind the volume of traffic that uses them. It is appropriate, therefore, for the national Government to consider the national priorities of our highway system, even though it means a shortfall to this State at this time. Hopefully, that will not be so in the future.

With the new system of untied grants beginning in January, an allocation of half the annual \$350m is due to the States as untied grants. The remaining \$771m has been directed to the national highway system. I think it is true, as the Minister said, that \$1 189m has been provided for a national highway system, which is an amount greater than that allocated in 1989-90 because after that date the Government implemented a number of arterial road projects and national highway projects which were specifically

designed, first, to improve the infrastructure of this nation and, secondly, to assist the unemployment problems of this nation. Much of that money was directed towards rural communities, as the Minister knows, and to national highways that pass through rural communities. When that money was provided it was clear that there was an end date. It is unfortunate that the Minister and his department have acknowledged that fact in their administration of Government money on road funding.

Hon E.J. Charlton: That is totally untrue. If you had done your homework and listened to anyone, you would know that that is not correct.

Hon JOHN HALDEN: I listened to the Minister's answer to my question yesterday and I know exactly what he said.

The higher funding levels in the intervening years reflect the establishment of special programs aimed at creating employment, particularly in rural areas, while addressing some of these serious deficiencies in the road system. These programs included One Nation, which provided \$594m over three years, and the provincial cities and rural highways program, which provided \$300m over three years.

There will always be arguments that more money should be spent on roads. A challenge for the Federal and State Governments is to maintain a level of funding sufficient to maintain and enhance the road network to a standard appropriate to move people and goods across this nation. Always, as the Minister will learn, he must do that within the budgetary constraints that will be placed upon him and considering equally legitimate competing demands.

Hon E.J. Charlton: Why did your Government take \$300m off our road funding?

Hon JOHN HALDEN: I will deal with that question at any time the Minister likes, but I am trying to confine my remarks to this matter. As the Minister said in his statement and again yesterday in question time, there is no doubt that road funds were committed prior to the announcement of the Federal Government's allocation to this State and that now results in a shortfall. Knowing that a shortfall would happen, one would presume that the Minister would have taken a responsible attitude and, firstly, advised this House and, secondly, advised the Federal Government of what had happened and sought its cooperation and support. The Minister should not have gone on a crusade under the banner of States' rights but should have developed a diplomatic and rational approach to this problem, and sought money from the Federal Government to fulfil the commitment and make up the shortfall.

Hon E.J. Charlton: That is not right. I will ensure that you have every opportunity to have it explained to you so that you will not continue to make that incorrect and inaccurate statement. You made it yesterday. You are wrong and it is time you accepted an offer by me to have it explained to you. If you do not want to believe me, I will have it explained to you by someone else.

Hon JOHN HALDEN: I am only too prepared to have the Minister explain to me where I am wrong. However, I intend pursuing this matter in question time and we can also debate it in the future. On the basis of the information that I have, there is a shortfall in funding and the Minister will have to go down one of four avenues to make up that shortfall; that is, borrow the money, cut other road programs, increase the cost of vehicle licensing or increase the State fuel tax levy.

Hon E.J. Charlton: You have forgotten one. Because the money was not forthcoming, contracts that should have continued running will cease simply because of your colleagues in Canberra.

Hon JOHN HALDEN: The Minister is right; I am glad he has provided me with that information. That could well be correct. However, I suggest that would create for the Government all sorts of planning problems in opening up new land. If the Minister wants to debate that with me, I am only too happy to get that speech. We can then talk about how the price of land will escalate enormously if he goes down that path.

The Opposition would like to support the Government in its attempts to receive

additional road funding. I do not believe that the \$98m which has been allocated to this State is an adequate level of road funding. I make it clear to the Minister that I am happy to support him on that. However, the reality is that we have to be innovative and diplomatic. The Minister should propose to the Federal Government constructive ways of dealing with the problem that exists in this State. He should desist from berating the Federal Government and calling it names. That does nothing for the debate. As I said, the Opposition supports the Minister in every way on this road funding issue. However, unless his attitude improves, we will find it difficult to continue to do that. We want to be constructive and we want to know the truth. However, our difficulty with this Minister is in finding out the truth. I thank the House for providing me with the chance to make this statement.

ADDRESS-IN-REPLY

Presentation to Governor

HON GEORGE CASH (North Metropolitan - Leader of the House) [3.11 pm]: I move, without notice -

That the Address-in-Reply be presented to His Excellency the Governor by the President and such members as may desire to accompany him.

Members will recognise this as the usual motion moved on the completion of the Address-in-Reply debate. It so happens that the debate was completed at 11.00 pm last night. The House then moved to the adjournment debate and no opportunity was provided for me to move this motion last night. It is a standard motion with which I invite members of the House to agree.

Question put and passed.

MEMBERS OF PARLIAMENT - LEAVE OF ABSENCE

Hon Clive Griffiths

On motion by Hon Muriel Patterson, resolved -

That leave of absence for two sitting days be granted to the President (Hon Clive Griffiths) due to parliamentary business overseas.

MOTION - SELECT COMMITTEE APPOINTMENT

Midland Workshops Closure

HON JOHN HALDEN (South Metropolitan) [3.13 pm]: I move -

- (1) That a select committee of five members, any three of whom constitute a quorum, be appointed to inquire into and report not later than Thursday, 21 October 1993 on -
 - (a) the form and content of such advice as may have been provided to the Minister, and by whom, recommending that the Midland Workshops be closed;
 - (b) whether, in providing that advice, Westrail took into account any or all of the following -
 - (i) the social impact of closure on the community;
 - (ii) the options available to Westrail in having work done for it that would otherwise have been carried out at the workshops;
 - (iii) the short and long term viability of those options;
 - (iv) the capital and recurrent costs, including the costs of redundancies and resulting underemployment, to the State of maintaining or closing the workshops;

- (c) whether advice against closure was ever presented to the Minister, and if so by whom, and if so whether that advice reached Cabinet; and, generally, any other matter relating to the Midland Workshops and their continued functioning as part of Westrail.

(2) The committee have power to send for persons, papers and records.

It is some time since I put this motion on the Notice Paper and that is probably unfortunate, bearing in mind the number of people who have suffered as a result of the Minister's announcement about the closure of the Midland Workshops. I remind the House of the campaign slogan of the coalition when in Opposition - more jobs, better management. I must tell members that the Midland Workshops situation is a classic example of no management and no jobs. It is an absolute travesty of justice that the community and members of this House should have been treated in the way they have when seeking information about the closure of the workshops. The Minister has not made available any information justifying the decision made on 29 April this year. He has been silent about the financial basis on which the decision could be justified. However, fortunately, through a series of articles I have read and information provided to me, I shall be able to show the House the basis on which the Minister made that decision.

Hon Derrick Tomlinson: Why do you need a select committee?

Hon JOHN HALDEN: To justify the remarks I am about to make.

Hon Peter Foss: Does that mean they are not justified?

Hon JOHN HALDEN: This is a little tactic of running me down a blind alley.

The DEPUTY PRESIDENT (Hon Barry House): Order! The cross-Chamber interjections have nothing at all to do with the debate and they certainly have nothing to do with the remarks being made by the member on his feet. I ask members to keep their interjections rare, reasonable and relevant.

Hon JOHN HALDEN: I am not able to say with 100 per cent confidence that all the figures I will quote in my speech are exact but if there is reasonable doubt, this House has no choice but to support this motion in fairness to the grief and suffering this Minister has brought upon the community and the people of the Midland Workshops. On 29 April the Government announced that the Midland Workshops would be closed and 749 workers would be either offered a redundancy package or redeployed within Westrail. The Government also announced that another 300 workers would be offered a redundancy package, resulting in a 20 per cent reduction in the work force of Westrail. In a press release on 29 April the Minister stated that the reforms would save the Western Australian taxpayers at least \$28m.

Hon Peter Foss: Were there any reductions in the work force in the time you were in Government?

Hon JOHN HALDEN: By 30 April, one day later, Westrail documents provided to unions predicted an annual saving of \$19m as a result of these measures.

The DEPUTY PRESIDENT: Order! I mentioned the cross-Chamber interjections a short time ago, and I would like members on both sides of the House collectively to cease these interjections.

Hon JOHN HALDEN: I do not propose to respond to those interjections, as members may have noted. My comments are particularly important and complicated and they must be listened to if we are to make an informed decision with regard to this matter. Therefore, it would be appropriate for members to listen to me. I am quite happy to entertain interjections later in my speech but at this stage it is important to listen to what must be said.

On 20 June the Commissioner for Railways said there would be a genuine net saving of \$18m within two or three years of the closure. I am perplexed about where the \$18m, \$19m and \$28m savings will be made. From where did those figures come? Have we ever seen a balance sheet of the Midland Workshops or a cost analysis justifying this

decision? Clearly the answer is no. I must point out that another slogan of the coalition during the election was that it wanted open and accountable Government. We have not seen much of that in connection with the Midland Workshops. The Minister said in this House that members of the last Labor Government were corrupt. This Minister's decision is a corrupt decision because it cannot be substantiated.

Withdrawal of Remark

Hon E.J. CHARLTON: The member has just referred to me as being responsible for a corrupt decision. I ask him to withdraw.

The DEPUTY PRESIDENT (Hon Barry House): I ask the member to clarify what he means by the words "corrupt decision".

Hon JOHN HALDEN: What I mean by the words "corrupt decision" is "without substance".

The DEPUTY PRESIDENT: In that case, there is no point of order.

Hon P.R. LIGHTFOOT: A further point of order -

The DEPUTY PRESIDENT: There is no debate on a ruling from the Chair.

Hon P.R. Lightfoot: Withdraw "corrupt", member.

Hon JOHN HALDEN: The member may not be here much longer, so he should just sit there.

The DEPUTY PRESIDENT: Order! It is sometimes very difficult to make decisions about points of order of this nature, so I ask members to appreciate that a ruling has been made and there is no debate on a ruling from the Chair.

Debate Resumed

Hon JOHN HALDEN: On the opening day of Parliament, I asked the Minister for Transport -

Will he confirm that prior to his decision to seek Cabinet approval to close the Midland Workshops he received no detail on a financial assessment of the impact of that closure on Westrail?

The Minister replied -

I did not receive any such advice prior to the decision.

One can only wonder how the Minister was able to claim that there would be savings of the proportions that he suggested if he had not received a detailed financial assessment - an assessment of the various facts available, and one that, as I hope to point out in a moment, demonstrates clearly that a saving of either \$28m, \$19m or \$18m is impossible, even in two to three years. I have ascertained that the gross expenditure in the 1991-92 financial year for the Midland Workshops was \$52m. Members should understand that that is gross expenditure. Based on what the Minister said - and I will take the lowest figure - there must be a saving of \$18m from a \$52m gross expenditure. A saving of \$18m or \$19m will not be achievable after the closure of the Midland Workshops. As of 26 July, some 197 workers had accepted the redundancy offer. That figure was supplied to me and is accurate, and I am happy to show the Minister the documentation about that. At an average cost of \$26 000 per worker - a figure supplied by the Minister - for the redundancy offer, that will amount to \$5.2m, but it will mean that 637 workers will remain on the Westrail payroll without a particular job to do because the workshops will be closed. And, despite what the Minister suggested originally, there will be few, if any, additional jobs in other depots. The result of Westrail's carrying 637 workers at an average salary of \$28 000, plus the 50 per cent on-costs - which I understand is a reasonable estimate for any Government department, and in fact it is a minimum estimate - is a wages bill of \$26.7m. The cost for some of the work previously done at the workshops to be carried out in the private sector will be \$20m, a figure that was supplied to *The Geraldton Guardian* by the Minister's adviser, and I am happy to provide the Minister with that document.

Hon E.J. Charlton: You do not have to.

Hon JOHN HALDEN: It is fact?

Hon E.J. Charlton: Yes.

Hon JOHN HALDEN: I understand from the master plan for Westrail that the cost of re-equipping country depots will be \$10.5m. That totals \$62.4m, compared with a gross expenditure for the Midland Workshops of \$52m. What I have not put in here -

Hon E.J. Charlton: The member does not want to hear the truth. He has to make up his facts as he goes along, as he usually does.

Hon JOHN HALDEN: The other factor, which I cannot substantiate by statement from the Minister, or anyone else, is that there is still work to be done in the other depots. I can only guess about that, but the people who know suggest that it is in the order of \$15m. That gives a total of \$78.3m, compared with a gross expenditure of \$52m. That is year one.

Hon Kim Chance: Where is the \$19m?

Hon JOHN HALDEN: I am yet to know. If we go to year two, when we might expect there to be a saving, and take from that \$78.3m the two one-off payments for relocation and redundancy, in constant dollar terms there is still an expenditure of \$61.7m, compared with the \$52m. It is of no value for the Minister to say, "We will get rid of more workers because they will take the redundancy package", because the redundancy package is equivalent to a year's salary, so it is one for one.

Hon E.J. Charlton: The latest financial exercise by Mr Halden is to show how the previous Government ran the books. That is why it lost \$10b while it was in office.

The DEPUTY PRESIDENT: Order! I ask Hon Doug Wenn and Hon Tom Butler to cease their cross-Chamber interjections that have nothing to do with the debate.

Hon JOHN HALDEN: The Minister can try to derail me, if I can use that term, in this argument by talking about things that may have happened in the past, things that I had little responsibility for, but the facts are here. I have the documentation here, and I am happy to provide it to the Minister and to anyone else who may want to look at it and who may understand it. I can actually make myself available to the Minister to explain it to him at any opportunity that he may have.

Hon E.J. Charlton: Do that, and I will tell you about the roads.

Hon JOHN HALDEN: The Minister cannot do that either. On that basis, this decision cannot be justified.

Hon Mark Nevill: I think he would prefer to stay in kindergarten.

Hon JOHN HALDEN: Yes. I do not know that he ever left. The realities are that by the time we will save that \$18m or \$19m I will not be in this House and the Minister will not be in this House, and I suggest that we will be in a place where we are lying horizontally. It will not happen.

Hon Derrick Tomlinson: Promises, promises, promises!

Hon JOHN HALDEN: I will deliver, my friend!

Hon Derrick Tomlinson: When?

Hon JOHN HALDEN: I can guarantee that it will not be soon enough for the member or the Minister. It has for some time interested me to try to work out where the \$18m or \$19m came from. It could not have come from nowhere. I had to keep wondering about why the Minister kept quoting those figures. He actually said in one of his speeches that the figures came about as a result of a report that our Government did; or words to that effect. It then dawned on me that I was actually able to provide myself with a copy of a report by Mr Barry Henshaw entitled "The Rationalisation of Westrail Midland Workshops" in August 1990. If one goes through this convoluted accounting procedure, this process of voodoo economics -

Hon E.J. Charlton: Hang on. You will make another blue. If you base your comments on that you will get it wrong again.

Hon JOHN HALDEN: I will not. I can assure the Minister of that.

[Resolved, that business be continued.]

Hon JOHN HALDEN: The Minister said that I would get it wrong. I invite the Minister, as I have invited him half a dozen times before, to place the facts on the table. At this stage the Minister has not supplied the facts yet he has the temerity to say that I am not stating the facts. The Minister says that he has the facts yet he does not supply them. Is this open and accountable government?

I turn to the report referred to earlier. It contains mumbo jumbo; it includes voodoo economics because it arrives at an interesting figure regarding the closure of the Midland Workshops. It points to a saving of \$18.5m, which is close to the \$18m or \$19m that the Minister has continued to refer to - except on the first day when he referred to \$28m. A careful analysis of the report indicates that the closure of the Midland Workshops, using the same methodology as the author of the report, would save \$18m. It is important that the House understand this point. That saving is achieved using a work force of 968 employees divided into two groups: 470 productive workers and 498 support workers. The figure is based on an hourly rate of pay for the productive staff, to which was added the cost of the 498 support staff plus a notional rent, which does not exist in a real sense, and proportional costs from some other areas, including supplies, accounts, computers, and industrial relations, resulting in an average cost of \$61.57 an hour. Mr Henshaw then says that he can get the work done for \$40 an hour in the private sector. From the \$61.57 figure he deducts \$40, leaving a total of \$21.57. He then multiplies that figure by 470 productive workers, and by the number of hours worked in a year. It is convoluted figuring, but the final figure is multiplied by 1830 hours a year and results in an alleged commercial loss of \$18.55m. Incidentally, Mr Henshaw is in charge of the relocation process, and it is not surprising that this is the only figure available and matches exactly the figures mentioned by the Commissioner for Railways and the Minister for Transport.

Hon P.R. Lightfoot: Address the Chair.

Hon JOHN HALDEN: I will address whoever I like.

Hon P.R. Lightfoot: You should address whoever the Deputy President says.

The DEPUTY PRESIDENT (Hon Barry House): The interjection is out of order, but in a sense it is correct. The member should address the Chair.

Hon JOHN HALDEN: I am happy to do so, Mr Deputy President. There appears to be a deception here with the figures. Of course the work will not be done at \$40 an hour. The charge for heavy engineering work in this State currently is between \$80 and \$100 an hour. One could verify that with a variety of companies in the metropolitan area. Of course, the author of the report failed to note that additionally there is a parts component, which is said to be 25 per cent of the labour costs. If one accepts the same principle applied by Barry Henshaw the decision to close the workshops will cost the Government \$32m a year more than to continue to operate the Midland Workshops, under current contractual arrangements.

That is the sort of mumbo jumbo on which the Minister has based his decision yet he has the temerity to tell me that I do not know what I am talking about. I challenge the Minister to lay the facts on the table if I am wrong. Until we hear the facts we will continue to debate his decision making process. I remind members of the Government's slogan: More jobs, better management. We have not seen much better management or too much thought about how the Government can make such a decision. In a colloquial sense the decision was a trick performed with mirrors.

We have been told that the decision to close the workshops will result in work going to the private sector. I acknowledge that, but we would presume at this advanced stage that perhaps the master plan would indicate to where in the private sector the work will go. Who is able to do the work? Can it be done in Western Australia or in Australia? Is the

work to be done cheaper by the private sector or will it be more expensive? The master plan refers to the private sector; that sector has been quiet, as has the Minister.

Hon E.J. Charlton: What about?

Hon JOHN HALDEN: Who will do the work in the private sector.

Hon E.J. Charlton: Don't you know.

Hon JOHN HALDEN: No, I would like the Minister to tell me.

Hon E.J. Charlton: I thought you knew everything.

Hon JOHN HALDEN: In essence, the work can be done in the private sector but it cannot be done cheaper in some instances. These are the only documents available to me, but I can assure members that a number of people in Westrail speak to me - many more than speak to the Minister - and if they could provide justification I am sure they would bring the matter to my attention. The only thing brought to my attention is this sort of mumbo jumbo. I am not the only person to bring forward these issues.

Hon E.J. Charlton: Did your Government reduce the number of employees at the workshops?

Hon T.G. Butler: There is a difference between lying and being honest.

Several members interjected.

Hon JOHN HALDEN: The Minister thinks that he can cause me to run up some blind alley. After his stupid decision, I will not allow the Minister to lead me anywhere. I will continue with the same line of argument. He might not like it but he will listen to it.

I have a number of other concerns. I am concerned in a general way, and I am particularly concerned about the financial implications. The financial aspects were the important ones referred to by the Minister when he made this decision. His most important emphasis was that the closure of the Midland Workshops would save the State \$28m, \$19m or \$18m. But that was wrong! His statement was flawed. I have challenged the Minister and I challenge him again. If I am wrong, the Minister should present the facts so that we can make our judgments.

Another error of fact by the Minister was that 749 employees would lose their jobs at the Midland Workshops. I understand that the figure is 834.

Hon E.J. Charlton: That is not right either.

Hon JOHN HALDEN: I have a document from Westrail which indicates the 834 positions existing at the Midland Workshops. I do not know who is right; however, the Minister is rarely right and the document I hold would be far more reliable.

Hon Derrick Tomlinson: One hundred abandoned workers. They came to work at 9.00 am and left at five past.

Several members interjected.

The DEPUTY PRESIDENT (Hon Barry House): Order! Only one member is on his feet and is entitled to speak.

Hon Mark Nevill: Two are making speeches.

The DEPUTY PRESIDENT: That includes Hon Mark Nevill.

Hon JOHN HALDEN: Those people who want to take redundancy feel obliged to do so because Westrail has no career path left for them. The average age of the workers is 40 years, and job prospects are limited; they are likely to be condemned to intermittent and part time work at best. That is a most unsavoury situation for them and their families. On average the workers will receive a redundancy payment of \$26 000, which will not keep an average family for much longer than a year even if they are particularly frugal.

Hon E.J. Charlton: Is that Westrail's responsibility?

Hon JOHN HALDEN: It is the Minister's responsibility! It is Westrail's and the

Minister's responsibility to have some reasonable concern for people under their auspices. The Minister's statement indicates that he is absolutely callous!

Hon E.J. Charlton: In your time in Government you put 11 per cent on the scrap heap.

Hon JOHN HALDEN: In 1983 just as many people were unemployed. No-one, least of all me, appreciates a figure of more than 10 per cent unemployed. I also dislike it when a Minister of the Crown says that such matters are not his responsibility.

Hon E.J. Charlton: I asked whether it was Westrail's responsibility, you dill!

Hon JOHN HALDEN: The Minister can say what he likes. The fact is that he is callous; he has not been honest with people.

Hon E.J. Charlton: The numbers man from Westrail.

The DEPUTY PRESIDENT: Order! I ask the member on his feet to address the Chair.

Hon JOHN HALDEN: I am only too happy to do so. I have been able to count the numbers particularly accurately. I am able to substantiate a stronger case for mismanagement of the Minister's portfolio than the Minister can mount to substantiate his position with this decision.

This decision will affect not only the workers involved - so callously disregarded in the Minister's recent statement - but also the community of Midland. The Minister said a whole range of new developments would follow the closure of the Midland Workshops. Propositions were made for medium density housing and for a commercial site to be developed. However, I understand that the Shire of Swan has deleted the Midland Workshops site from its "Land for Midland Area, 2001" proposal because the site's future is so unclear under this Minister. Also, some of the 70ha of this land is contaminated with heavy metals and other materials which are injurious to health. Therefore, on a commercial basis the land has no value with a nil chance of development. The development of this site would be more complicated than the East Perth site. Again, the Minister has got it wrong, in spite of his initial statements. The situation has deteriorated further because of the statements the Minister has made in this House.

Last year, on 13 October, four months before the election, Westrail came under the scrutiny of the Estimates Committee. At a hearing the Commissioner of Railways said that as of 1 July 1993 the Midland Workshops would be operated as a commercial unit.

Sitting suspended from 3.45 to 4.00 pm

Hon JOHN HALDEN: The Commissioner for Railways stated that the Midland Workshops were being reorganised and equipped for a strong future in the railway industry, serving both Westrail and the National Rail Corporation, and that they had the potential for work from outside customers. The now Minister, Hon Eric Charlton, was present at that committee. He in no way expressed a contrary view, questioned the witness or objected to what was being said; he accepted it. Page 23 of the Westrail annual report stated that as of 1 July 1993 the workshops would operate as a commercial business unit. It stated that a committee was involved in restructuring the workshops towards financial viability, commercial competitiveness and a long term future, and that it would establish a stable work force with future prospects for employment.

It is not surprising with statements such as that and the quietness of the then Opposition, plus the coalition's election policy to upgrade the Midland Workshops at a cost of \$27m to guarantee its long term future, that workers feel betrayed that the Government made that decision on 29 April, without, to this point, any financial justification. I referred earlier to the Barry Henshaw report of August 1990. Members may question whether that is from where the \$19m savings figure came; however, all the other recommendations relating to this decision came from that report. The report criticised the workshops. At that time the following views were expressed by the then general manager after three months in the job. The report said that the workshops should not build locomotives and that Westrail should subcontract to manufacturers, particularly those resident in Western Australia. It said that subcontracting was a possibility, particularly for major steel fabrication, and also that the private sector could apply for

overhauls in the rebuilding of locomotives. That and many other recommendations of the Henshaw report are, in fact, the Government's position on the closing of the Midland Workshops. I do not think it could be that coincidental that a figure existed which was never substantiated, but which clearly came from this report, and that the recommendations of that report became the Government's announcement on 29 April.

A number of the functions performed at the Midland Workshops enabled the workshops to have a strategic monopoly position within the market place. The workshops had a monopoly advantage in Western Australia and in Australia; the work could not be done anywhere else. If it could be done, it could not be done anywhere near as competitively. For example, sandblasting of the size used at Westrail could be done either in the unit that exists at the Midland Workshops or by hand; that is the only other option available in the private sector. It is also predominantly the only other option available in all the other depots of Westrail. If the decision to close the workshops is carried through, the sandblasting of wagons and locomotives for repainting, which causes all sorts of occupational health and safety problems, would be required to be approved by the Environmental Protection Authority. Most people would understand that the sand used in sandblasting causes a particular problem. It must be contained; if not it can be particularly injurious to health. For those reasons I suggest that this decision was not well founded.

It is not in only that area that the Midland Workshops enjoyed a monopoly. They also enjoyed a monopoly in the brake section where only two companies in Australia could perform the same sort of work. Neither of those companies currently operates in Western Australia. I presume that private enterprise will either have to invest in that function or the work will have to leave the State. Hamersley Iron Pty Ltd used the brake section facilities to have its own work done. Therefore, in that case the Midland Workshops were able to perform that function for the private sector. The grit blaster is located in the paint shop. It is the place in the southern hemisphere where grit blasting of wagons of those dimensions can be carried out safely and where painting of polyurethane paints to the standard required by the Australian Standards Association can be done. Westrail must either accept an inferior quality product or send the work interstate. Track equipment such as manganese crossings and turnouts cannot be done by private enterprise. On a comparative basis it is my understanding that this work can be done at Westrail 50 per cent cheaper than in other States in Australia. One must remember that the product must be brought back to this State once it is completed. The dog spike machine is the only one of its kind in Western Australia. If that machine, which makes a basic implement, is not relocated that work will be lost to the Eastern States. However, Western Australia currently exports dog spikes to the Eastern States.

Hon Tom Helm: Is it the only one in Australia?

Hon JOHN HALDEN: No, it is the largest machine. This State can import those goods, but the productive rate of that machine gives Western Australia a monopoly position because we can produce them cheaper and more effectively than anywhere else in the country.

Hon Tom Helm: Do the iron ore companies use them?

Hon JOHN HALDEN: They do indeed.

Midland is the only manufacturing area in Western Australia where springs for bogies can be produced. The private sector is constantly seeking advice from and the expertise of the Midland Workshops in reconditioning 8 000 springs per annum. The only source for drop forging in the State is the Midland Workshops. Members may recall that I referred to the Churchill crankshaft grinder, the only machine in the country capable of doing that work, otherwise it must be carried out by hand. Imagine the cost of doing that work by hand. If we do not retain this piece of machinery the only option left will be for the private sector to do it by hand.

Hon Mark Nevill: The real challenge would have been making it efficient.

Hon JOHN HALDEN: Hon Mark Nevill raises an important point. The challenge for

the Midland Workshops was to make them efficient; to build upon the strategic monopolies and skills of that work force. Henshaw's report of 1990 highlights that the work force at Midland Workshops is probably one of the most skilled, concentrated work forces in this heavy industry area anywhere, most definitely in the State, and probably within the country. The Minister for Transport made a decision to scrap all of that and the social and economic impact on the local community will be great.

I will reiterate the points I have made in my speech. No-one, including the Minister, has been able to justify the Government's decision to close the Midland Workshops for financial reasons. In fact, the figures indicate that the Minister's decision will incur an enormous loss to Westrail. For example, if the gross expenditure of the workshops is \$52m per annum and we deduct from that figure the known costs and guess the cost of the work to be undertaken at country depots, the loss in the first year will be \$25m. If we use the Henshaw model, which as I said previously is based on voodoo economics, the loss will be in the vicinity of \$30m. I am pleased the Minister has returned to the Chamber and I accept that he has probably been involved in parliamentary business. It is not accidental that one is led to the conclusion that the Minister based his decision on the Henshaw report, which was released in August 1990. The report outlines the reasons the workshops should be closed and why locomotives should cease to be built at the workshops.

Hon E.J. Charlton: How long is it since locomotives were built at the Midland Workshops?

Hon JOHN HALDEN: Some time ago. It is clear to me that the Henshaw report is the basis on which this Government made its decision. The Minister said in this House that he based his decision on a report which was commissioned by the previous Government. I understand that the Henshaw report was the most substantial report prepared on the workshops while the Opposition was in Government. It is beyond the realms of possibility to think that the Government did not base its decision on that report. It was compiled by an engineer who tried to be an accountant and an economist, but he got his facts wrong.

I am glad the Minister for Finance has returned to the Chamber. I invite him to explain to me in private how a saving of \$19m will be made from closing the workshops. I am not being smart, but if the Minister for Finance is able to justify this figure, in the spirit of bipartisanship I will believe him. However, I do not think he can justify it. To suggest a saving of \$19m from a budget of \$52m gross expenditure is absolutely ludicrous. The figures are based on the information provided by the Minister for Transport and other sources within Westrail, but they have not been justified.

Hon Max Evans: Hamersley Iron has increased its profitability by 100 per cent and Robe River has increased its profitability by between 200 and 300 per cent. These things can be done. It is a matter of too many men doing too little work.

The DEPUTY PRESIDENT (Hon Barry House): Order! All members will have an opportunity to participate in this debate.

Hon JOHN HALDEN: I apologise, Mr Deputy Speaker, because I invited that interjection.

On the basis of the information presented to me the notion that \$19m will be saved is spurious. I do not think the Minister for Finance will be able to justify this figure based on the information available from Westrail. I have certainly lost faith in the Minister for Transport to do that because he cannot present the facts. This issue could have been resolved on day one if the Minister for Transport had presented the facts. However, the Minister said there were no facts to present and he had based his decision on a report which was commissioned by the previous Government and I believe that report is the Henshaw report.

Prior to the recess I was incensed by the Minister for Transport's comment that it was his responsibility to look after Westrail's work force.

Hon E.J. Charlton: I said it was Westrail's responsibility. The member continues to mislead this House. He has it totally wrong.

Hon JOHN HALDEN: I am happy to accept the Minister's interjection because ultimately he is the person responsible for Westrail's work force. It is not becoming of a Minister of the Crown to be cavalier when referring to the rights and lifestyles of constituents. Westrail and the Minister have a social responsibility. The Minister may not accept that, but it is fact. The Government's decision will seriously impact on the Midland community in a range of ways and I do not intend to be the only local member to be involved in this debate.

I challenge the Minister to present the facts to justify his decision on a financial basis. If he continues to play games and say the decision was based on a Cabinet document, he will continue to be hounded. It is a most outrageous decision and it will harm not only the local community, but also the State. On that basis, it is appropriate that members consider my motion carefully. It questions the social and financial implications of this Government's decision. It raises the question of whether the decision is justified and whether other options could have been considered. Hon Mark Nevill suggested that the real challenge facing the Government was to make the workshops viable. It enjoys a monopoly position and provides skills training in a specialised area. The Government had the option to get it right so that the workshops could benefit the community in a better way than it does now. By that remark I am not suggesting that it does not benefit the community now.

I cannot entertain an argument from the Minister about whether he based his decision on the Henshaw report. If he did not, he should tell us what he based his decision on and he should provide us with the facts. Bearing in mind the social implications of this decision the people of this State have a right to know how the decision was arrived at and that decision should be reviewed by a committee of this House. We have been told often by members opposite that that is the major purpose of a House of Review. This decision is an outrage against the State. It is incumbent upon this House of Review to do exactly that and not allow itself to be taken along partisanly. The opportunity is now before the House to review this decision.

One member made certain accusations about a former Minister's planned activities for these workshops. I challenged that member to substantiate those allegations, but that was not done. This select committee will provide an opportunity for that claim to be substantiated or rejected. I have no fear whatever about that; nor, I believe, has the former Minister. Over a two year period the State could lose in the order of \$35m, so it is incumbent upon this House to review this decision in a reasoned non-partisan way.

Had the Minister presented the facts in the first place, this motion would not have been before the House, and a series of questions would not have been asked or debates been held during the weeks we have sat here. He stands condemned for that, I am sure, throughout the community, because without the facts to justify the calamity he is bringing on this State only one option is left; that is, to consider his decision and the advice upon which it was made. I hope members will support the motion.

HON N.D. GRIFFITHS (East Metropolitan) [4.25 pm]: This motion, if passed, will enhance the peace, order and good Government of Western Australia. It seeks to set up a select committee of this House of Review. The recent Royal Commission into Commercial Activities of Government and Other Matters had the following to say about the committees of the Parliament in general and the Legislative Council in particular in recommendation 3.9.2 of the second report -

The review of the processes, practice and conduct of government is only one of the purposes for which committees can be used. But in a parliamentary democracy that purpose should be the cardinal one. In the exercise of its law making power, the Parliament has greatly enlarged the power and authority of the executive and the administrative arms of Government. These now have a pervasive effect on the daily life and well-being of the Western Australian community. The Commission urges the Parliament to bend its efforts to the fulfilment of its review obligation as a matter of urgency. . .

This motion if passed will fulfil that prospect to a degree which so far this Parliament has

fallen far short of. This issue is important to the Midland locality and also to the people of Western Australia.

No doubt, some advice was given to the Minister on this matter. Exactly what advice was given is a matter of controversy. Nobody seems to know, although Hon John Halden has put forward a convincing case to the effect that the Minister has relied on an analysis undertaken some years ago by Mr Henshaw, who I understand is no longer with Westrail. The Minister nods in agreement.

The local newspaper, the *Midland Echo* of 23 May, made reference to a demonstration by workers from the Midland Workshops who sat on a freight rail line. The article referred to comments made by the Minister as follows -

Mr Charlton said the only report on the Westrail review was part of the submission which went to Cabinet, and said even the Opposition leader, Dr Carmen Lawrence, agreed it could not be released as it would set a precedent for releasing Cabinet documents in future.

Hon E.J. Charlton: That is right, and I stand by everything the member has just read out.

Hon N.D. GRIFFITHS: Presumably the report referred to played a part in Cabinet's decision and the formal announcement made.

Hon E.J. Charlton: It was the sole report.

Hon N.D. GRIFFITHS: Subsequent to that decision being reached a media release came from the Minister's office which referred to a number of figures. I will not read the whole of the document but refer the House to some of the figures mentioned in it. It states, among other things -

The biggest single saving of \$19m a year will come from closure of Westrail's Midland Workshops by March 4 1994 under a voluntary severance scheme open to all Westrail employees.

Toward the bottom of the page the release continues -

Mr Charlton said the major burden on Westrail was an operating loss of \$18 million a year at Midland Workshops. In addition, the previous Government had approved in principle the spending of \$27m over the next four years for equipment upgrading - without any real prospect of stemming the annual loss.

The release continued later -

"To justify the upgrading and the present size of its workforce Midland would need to win at least \$30m a year in outside contracts, in competition with private engineering firms", he said.

I make these points so that what I say later is in context. The release continued later -

"The odds against that happening are impossibly long and it would be foolish to risk \$27 million of public money on the outcome.

The sensible course is to close the workshops. . ."

A number of figures are referred to in that document. It is the contention of the Opposition, as demonstrated by Hon John Halden so convincingly, that the figures referred to in the media release were wrong, rubbery, or contrived. If I am wrong in that proposition the setting up of a select committee will prove it. The Opposition is inviting the Minister and the Government to be accountable so that the people of Western Australia can have confidence in its decisions. The matter is of great concern to the people of Western Australia and they deserve to be informed of the true basis of the Government's decision making. In that context a number of propositions have been put forward with respect to what the real figures are, and Hon John Halden has referred to one analysis. In the same newspaper to which I referred earlier, the *Midland Echo*, in the 23 May edition a Westrail employee, one Dave Goddard, is quoted; that is, the newspaper purports to quote him, and no doubt it does so accurately. He is reported to have said -

We pay \$2.5 million in notional rent - we are the only government department to pay that, and besides, Jim Gill said the site is only worth \$2 million,

It would be a fairly happy landlord who received \$2.5m rent on a site worth \$2m. I do not know whether those figures are right or wrong. The Minister should provide us with the appropriate information so that we, as a House of Review, and the people of Western Australia, can be informed. The newspaper report goes on to say of Mr Goddard -

He also said the workshops had to pay \$2.1 million for information technology each year, which was not received or utilised -

I think he is suggesting that somebody is ripping them off; they are adding something to the books in some way. Perhaps it is bad management. We do not know, and we would like the Minister or his officers to explain it all to a select committee down the track, preferably a railway track. Mr Goddard is then quoted as saying -

- and \$600,000 was paid to Westrail in industrial relations charges . . .

No doubt one of the Minister's colleagues will get rid of that in some other way.

Hon John Halden: What industrial officer?

Hon N.D. GRIFFITHS: It is a very nice job if you can get it. Hon John Halden is very good, but it seems this gentleman is paid only \$45 000 - or it may be a female, I have no idea.

Hon John Halden: It is a gentleman.

Hon N.D. GRIFFITHS: Is it? I am sure he is a gentleman.

Hon John Halden interjected.

Hon N.D. GRIFFITHS: Hon John Halden and I are well known for our solidarity.

Hon Graham Edwards: You are brothers, I understand.

Hon N.D. GRIFFITHS: When we are in New South Wales we are brothers. The report goes on to say -

The protestors said another \$3 million was being paid out for quality insurance, which must be paid for the workshops to compete for government work contracts, and another \$3 million for restructuring to streamline the workforce, cut out demarkation and to make workers more skilled.

This seems a fairly strange way of running accounts, if that is the case. Again, I do not know if it is the case.

Hon John Halden: There is no substance to those figures - they are made up. They are notional figures.

Hon N.D. GRIFFITHS: I do not know, and I want to be informed and be in a position to fulfil the oath I gave on 17 June to properly review the processes of Government. I have heard all sorts of points raised by members on the other side of the House to the effect that they are allowed to do what they like because of something that happened in the past.

Hon E.J. Charlton: No, because of something that happened in February.

Hon John Halden: You are not allowed to do that, either. That is your problem and you will find that out.

Hon N.D. GRIFFITHS: I would appreciate it if Hon John Halden would cease interjecting when Hon Eric Charlton interjects, because I enjoy the Minister's comments and I look forward to enjoying them for many years to come.

Hon E.J. Charlton: Especially when he kept pinching parts of your speech!

Hon N.D. GRIFFITHS: Hon John Halden is a great deliverer and I will give him the rest of it to finish off down the track if he has the opportunity of closing the debate, and I hope he will.

Hon Mark Nevill: You will be enjoying Hon Eric Charlton's comments as a Minister for only another three years.

Hon N.D. GRIFFITHS: I still look forward to enjoying Hon Eric Charlton's comments for many years down the track, and I will not restrict it to railway tracks.

Hon E.J. Charlton: It is a good line, anyway.

Hon N.D. GRIFFITHS: I have repeated it; I just want to keep them open. I want more of them.

I am very pleased that Hon Derrick Tomlinson is in the House.

Hon E.J. Charlton: He usually is.

Hon N.D. GRIFFITHS: I know that, and I am very pleased to see him here because he - along with Hon Alannah MacTiernan, Hon Tom Butler, Hon Peter Foss and I - has the privilege of representing the people of East Metropolitan Region.

Hon T.G. Butler: Hear, hear!

Hon N.D. GRIFFITHS: I can think of no better region to represent, and in saying that I do not wish to denigrate other parts of this great State.

Hon Mark Nevill: Especially that part which lies on the other side of the Darling Scarp.

Hon N.D. GRIFFITHS: Members would know that East Metropolitan Region is where the Midland Workshops are situated, and the people of that region are those most affected by the workshops' closure. Those people are represented by, among others, Hon Derrick Tomlinson, who has a sincere interest in this matter.

Hon Derrick Tomlinson: I smell a rat!

Hon N.D. GRIFFITHS: Hon Derrick Tomlinson need have no fears, because I bear him the greatest of goodwill. I enjoy his company and if he were a member of our party I would call him a brother. I might even call him a comrade.

Hon Tom Helm: Even a mate?

Hon N.D. GRIFFITHS: Mate is a four letter word, as members know. I think I would call him a mate.

Hon T.G. Butler interjected.

The DEPUTY PRESIDENT (Hon Cheryl Davenport): Order! I ask the member interjecting to return to his seat and I ask the member on his feet to address the Chair and ignore the interjections.

Hon N.D. GRIFFITHS: I accept your guidance without any qualification or reservation, Madam Deputy President. I am not addressing my comments to my fellow member for East Metropolitan Region, I am addressing the Chair. In doing so, I remind the House that on 23 June 1993 Hon Derrick Tomlinson put forward the proposition that a former Minister for Transport was advised that the Midland Workshops must close. She made a decision that management was to go ahead and carry on with planning. Hon Derrick Tomlinson may have an opportunity of contributing to this debate if he wishes, or he may wish to be involved in the work of the select committee. I would be very pleased if the member were to do both. As one of the local members, Hon Derrick Tomlinson has a serious contribution to make in representing the true wishes of his electorate as he knows this issue arises from a breach of faith and a serious broken promise. It is a matter of serious concern that Mr Tomlinson has been used as a conduit to misrepresent the facts. It is a matter of grave concern, as it should be to the House, that the facts have been misrepresented to the member.

Hon Derrick Tomlinson: You will learn when you have been in this House a little longer that my party seldom uses me.

Hon Tom Helm: Or the facts!

Hon T.G. Butler: We regret that. You should be Premier.

Hon Derrick Tomlinson: I agree with you, but that does not avoid the point that I am seldom used.

The DEPUTY PRESIDENT (Hon Cheryl Davenport): Order!

Hon N.D. GRIFFITHS: I look forward to the contribution of my fellow representatives from the East Metropolitan Region.

Several members interjected.

Hon N.D. GRIFFITHS: When Hon Derrick Tomlinson says something, he believes it to be true and I am very concerned that he has been misled. The member referred to Hon Fred McKenzie's reputation.

Hon Mark Nevill: He was doing his best to defend some scurrilous behaviour.

Hon N.D. GRIFFITHS: I took the opportunity to speak to Hon Fred McKenzie about this matter, as it was my duty to do. I am aware of the esteem in which he is held by all members of this House, and he informed me that on Tuesday, 15 June 1993 he attended a meeting at the Midland Town Hall concerning the workshops. He chaired the meeting, which was attended by Hon Eric Charlton and the Commissioner for Railways. Mr McKenzie told me that he said at the meeting - I will not try to sound like him - "In response to a rumour heard that the former Government had been advised of the necessity to close the workshops, she, Mrs Beggs, categorically denies this."

Hon John Halden: Indeed he did say that; I was there.

Hon E.J. Charlton: Yes, so was I.

Hon Derrick Tomlinson: And it is probably true.

Hon N.D. GRIFFITHS: If Hon Fred McKenzie tells me he said something, it is not probably true - it is true.

Hon Derrick Tomlinson: I'm sorry. I was not casting doubts on Hon Fred McKenzie's veracity. I was replying to the answer he gave, which was probably true; namely, that the Government was not informed. However, certain parties certainly were informed.

Hon N.D. GRIFFITHS: Hon Fred McKenzie's remark has only one import; namely, that Mrs Beggs was not advised. For the benefit of the House, particularly Hon Derrick Tomlinson, we must hear what the member has to say before a select committee. Hon Fred McKenzie related his words at the meeting to me a few days after the event, but his recollection was sound. It is sheer sophistry to put another meaning on his words.

Following his words I quoted a moment ago, Hon Fred McKenzie said, "Now, if Commissioner Gill and Hon Eric Charlton wish to deny what I have said, let them do so at this meeting." Mr McKenzie indicated to me that if they had refused the point, somebody was telling lies. However, Mr McKenzie said at the meeting, "I can look you all straight in the eye and say it is not me." Mr McKenzie informed me that both Hon Eric Charlton and Commissioner Gill were given the opportunity to speak, and took it, but neither refuted the statement. I suggest that neither took the opportunity to disagree with the proposition that Mrs Beggs was not advised of the necessity to close the workshops. If that is the case, commonsense leads one to the conclusion that Hon Derrick Tomlinson was the victim of a grave misrepresentation, the perpetrator of which should be called to account.

Hon Derrick Tomlinson: Or there is another interpretation which you have deliberately avoided. When I interjected I said that you overlooked the additional words - the ones I used on the date you mentioned - that when the Minister said it should proceed she said it must be kept strictly confidential.

Hon N.D. GRIFFITHS: Hon Derrick Tomlinson's proposition is contrary to the substance of Hon Fred McKenzie's comments.

Hon Derrick Tomlinson: Not at all.

Hon N.D. GRIFFITHS: Mr Tomlinson may disagree, but if he has a different point, I invite him to present it in the appropriate way. I look forward to his presentation to a select committee in joining others to invoke the truth of the matter. This is most important. The perpetrator of the misrepresentation to Hon Derrick Tomlinson had a

significant hand in the advice given to the Minister which led to the decision to close the Midland Workshops. The difficulty with this issue is that this House of Review and the community as a whole do not know the truth of the basis of the decision. The Minister has made comments and a media statement was released, but the materials provided to date do not add up and the Minister has not been accountable. That reference in the *Midland Echo* dated 23 May refers to the report as a Westrail review which was part of a decision that went to Cabinet. That document should not necessarily be confidential; it is not necessarily in the nature of a Cabinet document.

Hon Peter Foss interjected.

Hon N.D. GRIFFITHS: As I pointed out earlier, Hon Peter Foss also represents the East Metropolitan Region and has caused hundreds of his constituents - I share those constituents with him - to lose their jobs. He is part of a callous, uncaring Government.

Hon Peter Foss: Who have lost their jobs?

Hon John Halden: The people at the Midland Workshops.

Hon N.D. GRIFFITHS: Jobs in the Midland Workshops will not exist when the workshops close, and the Minister knows that.

Hon Peter Foss interjected.

The DEPUTY PRESIDENT (Hon Cheryl Davenport): Order! If the Minister wants to participate in the debate he should do so at the appropriate time.

Hon N.D. GRIFFITHS: If the report of the Minister for Transport's comments in *The West Australian* on 30 April was correct, the Minister said that he would be releasing a report. The article stated that Mr Charlton said the unions would not get documents which had been submitted to Cabinet - that is fair enough - but that instead they would get a report prepared by Westrail, but not necessarily by 2.00 pm that day. I wish to be fair to the Minister for Transport - he is reported as saying that the documents formed part of a submission to State Cabinet and it would not be appropriate to make them public. There were documents and a promise was made that they would be made public, but this House has not been provided with the documents, notwithstanding that this debate commenced some weeks ago. This Opposition has not been given a reasonable opportunity to perform its function.

Hon P.H. Lockyer interjected.

Hon N.D. GRIFFITHS: I hear Hon Phil Lockyer making a speech.

Hon P.H. Lockyer: I did not interject, I said it was like watching grass grow.

The DEPUTY PRESIDENT (Hon Barry House): Order! Please address the Chair.

Hon N.D. GRIFFITHS: I am enjoying the non-interjection. It was a marvellous contribution to debate.

Hon John Halden: It was the best one he has made in about four years.

Hon P.H. Lockyer: I was trying to wake everyone up.

The DEPUTY PRESIDENT: Order! If the member would address the Chair with relevant material there would not be a problem.

Hon Mark Nevill: Hon Phil Lockyer has been carrying a head injury for a couple of years.

Hon N.D. GRIFFITHS: I choose to ignore the interjection about a head injury because I am very worried that a member might lose the first \$15 000 of a claim for injuries caused in a motor vehicle collision.

I am concerned about decisions like the one to close the Midland Workshops. I am concerned about the way in which the Government has treated the work force at the Midland Workshops and the way in which it leaked its decision. The Minister sent a nicely worded letter to a number of Westrail's workers. I will quote the first paragraph of a letter addressed to Mr Wally Palmer, which purports to be dated 21 April 1993. This

is a letter which is supposed to indicate a kind, caring approach by the Minister for Transport. The Minister likes to be kind and caring, and I wish him every success in that.

Hon P.H. Lockyer interjected.

Hon N.D. GRIFFITHS: I have been distracted by a member on my left.

Hon P.H. Lockyer: I am on the left flank.

Hon T.G. Butler interjected.

The DEPUTY PRESIDENT: Order! The member on his feet is required to address the Chair and ignore interjections.

Hon N.D. GRIFFITHS: The first paragraph of the letter addressed to Mr Palmer states -

As you are aware Westrail have prepared a submission which aims to improve efficiencies so that Westrail is well placed to meet the commercial challenges of deregulation and so that the use of rail is maximised in the future.

Hon E.J. Charlton: That is absolutely correct; spot on.

Hon N.D. GRIFFITHS: That letter is absolutely awful. It states, "As you are aware Westrail have prepared a submission." The workers did not get to see the submission. The Opposition has not seen the submission. Westrail prepared that submission for inclusion in a Cabinet document. It has nothing to do with the sort of mumbo-jumbo the rabble opposite gets up to in its Cabinet. My fellow members of the East Metropolitan Region include Hon Peter Foss and Hon Derrick Tomlinson. At one time or another we were all members of the Midland and Districts Chamber of Commerce. The chamber expressed its distaste with the decision of the Minister and his Government to close the Midland Workshops. The chamber's letter to the Minister dated 28 April 1993 states -

The Government's decision to act unilaterally without local and regional community consultation has brought significant adverse reaction from business organisations in Midland, Mundaring and Kalamunda.

Hon E.J. Charlton: Some members of the chamber of commerce who were at the public meeting do not hold that view.

Hon Peter Foss interjected.

Hon N.D. GRIFFITHS: Hon Peter Foss will have an opportunity to participate in this debate and also to express his views to a select committee. I understand from members on this side of the House that for a number of years Hon Derrick Tomlinson has been telling this House that it should perform as a House of Review - now it will get that opportunity. I will place on record some of the matters raised by the Midland and Districts Chamber of Commerce, and I will quote the second paragraph which states -

We note with great concern, that Mrs van de Klashorst MLA was given no prior notice of the matter and was unable to respond to electorate enquiries on the morning of 27 April 1993.

[Questions without notice taken.]

Hon N.D. GRIFFITHS: The letter continues -

Whilst the business community is supportive of policies leading to public sector efficiencies, we are not prepared to accept precipitate decisions which exclude input from the wider community and their elected representatives.

The resulting disadvantages to the business community will be only one result of the closure decision. Equally important matters relate to:

- (a) The effect on employee families arising from redundancy of railway employees
- (b) Dispersal of the traditional expertise and skills of the workshop employees, being qualities accumulated over a number of decades
- (c) Reduction of this State's manufacturing and industrial base

The letter makes a number of other points, and its author, the president of the chamber, states towards the end of the letter that -

It would clearly be of benefit if the regional community was favoured by a public explanation of the rationale behind the decision to scale down the workshops.

The Government's response was to set up a task force. *The West Australian* of Wednesday, 5 May 1993, reports that the Minister for Planning said that, "Cabinet would establish a central Midland task force after last week's decision to close the workshops." The article refers by inference to another document relevant to this issue, a document which this Parliament has not seen. The article states -

A Government spokesman said Sallmanns International property consultants had evaluated the land but he refused to disclose the estimates.

The community again displays its disquiet when reference is made in the article to Mr Keith Weymes, a strategic projects manager with the Shire of Swan. The article states that, "Keith Weymes said the council had not been told of the workshops' fate." This was some time after the event. The article states also -

"We were not aware of their closure, the Government had not briefed the council," Mr Weymes said.

Its large area would make it difficult to find suitable uses for the land in the short term.

"There is a problem that the land could be put to inappropriate uses that could be difficult to relocate," he said.

But it could be used for a variety of appropriate things such as housing, light industrial work and city centre business.

A Government spokesman said old buildings on the site were not listed with the Heritage Council but were being assessed for historical value.

The Midland Workshops site is a place not just of work but also of heritage significance. The newsletter of the Heritage Council of Western Australia, issue one, November 1992, states at page 7, under the heading "Midland Railway Workshops", that -

These railway workshops are considered to have significance not just in WA but of national importance. The buildings date from 1904. However, as the workshops are in current use and need to respond to the changing needs of the railway, the current site may be caught between old and new technology. As new technology is introduced, it is likely that some machinery will be decommissioned. Will it remain on site? How will it be maintained? Whose responsibility will it become?

The Heritage Council recognises the workshops site as a site of some significance. This House of Review and the people of Western Australia would be well served if members opposite joined with members on this side in accepting the proposition that a select committee examine the matters referred to in some detail in the motion moved by my colleague Hon John Halden.

Hon MURRAY MONTGOMERY: Mr Deputy President, under Standing Order No 48, I ask you to request that the papers that were quoted from be tabled.

Hon N.D. Griffiths: I am happy to do that.

[See paper No 483.]

HON A.J.G. MacTIERNAN (East Metropolitan) [5.37 pm]: This issue has been fairly extensively canvassed, but one aspect of the issue which has not been given the attention that it deserves is the future of Midland as a regional centre. Last Sunday, Hon Richard Lewis, the Minister for Planning, stated while addressing the Local Government Association that the Stephenson plan for the Perth metropolitan area had got it right, that the plan had made Perth a great place in which to live, and that it was his intention to ensure the survival of that plan. A vital component of that plan was the development of

major regional centres at the nodes of the major corridors of development. Midland is one of those centres. The Labor Government recognised the need to assist the development of regional centres by relocating Government agencies to those areas. The Land Titles Division of the Department of Land Administration was moved to the Midland regional centre. The Midland Workshops likewise play an important role in that area in providing employment and training opportunities. It is clear from my contact with the people in the Midland region that even those who do not have a direct interest are greatly concerned about the loss of that employment and training opportunity in that area and the multiplier effect that that loss will have on the economic and social prosperity of that regional centre. The proposed select committee will provide an opportunity for the consideration of the impact of the workshops' closure on Midland's viability as a major regional centre. For this reason, in addition to the reasons outlined by my colleagues, Hon John Halden and Hon Nick Griffiths, we should support the motion and ensure that this matter is properly reviewed.

HON E.J. CHARLTON (Agricultural - Minister for Transport) [5.40 pm]: In responding to Hon Alannah MacTiernan I refer her to the motion: The proposed select committee is to inquire into and report on the form and content of such advice as may have been provided to the Minister and by whom, recommending that the Midland Workshops be closed. I have provided that information but Hon John Halden refuses to acknowledge it. The same comment was made by Hon Nick Griffiths when he referred to comments in a report in the *Midland Echo*. As I have repeated many times both inside and outside this House, I asked Westrail what changes needed to be made and implemented because Westrail was losing its market share as well as the opportunity to move freight in this State. It had already lost fuel, forestry and grain contracts as well as mineral sands opportunities. I asked Westrail what changes needed to be made, bearing in mind that the previous Labor Government had entered into an agreement with the Federal Government and other States to set up the National Rail Corporation which would take one-sixth of Westrail's freight, and that other operations would be lost. The management of Westrail put its point of view in the form of a significantly researched document which I took to Cabinet. The submission was that changes should be made to Westrail's operations otherwise not only would it be forced to cease its operations, which would result in a loss of employment, but also it would continue to lose its market share. I received a quick response which I took to Cabinet. Everyone is aware that as a result of the advice and documentation provided by Westrail -

Hon John Halden: No we didn't.

Hon E.J. CHARLTON: The member did not listen. Everyone is aware of the content of the documents that I took to Cabinet. There is no other report.

Hon John Halden: I accept that.

Hon E.J. CHARLTON: I have told the member 49 times.

Hon John Halden: I accept the Minister's word.

Hon E.J. CHARLTON: I have been asked repeatedly, "Where is the report?" Earlier I told the member that there was no report and what I said was the truth. A submission was made in the form of a Cabinet document. I took the document to Cabinet. That document outlined the desires of Westrail, and it was agreed to.

The next point in the motion is whether, on providing that advice, Westrail took into account the social impact of closure on the community. Not only Westrail but also the Government took into consideration that the Midland Workshops employed more than 800 people. Hon John Halden made the point that the figure of 749 was incorrect. However, Westrail identified 749 employees who would not be required as a consequence of the decision to close the workshops. The remaining employees at the Westrail store would go to Forrestfield, so that accounts for the difference in the figures.

As to the effect of the closure on the community, the previous Labor Government's decisions resulted in a loss of market share. Its support of the establishment of the National Rail Corporation had an immediate impact across the board at Westrail resulting

in a reduction in its operations and work force. The closure of the workshops resulted in an immediate reduction of the work force, similar to the reduction in preceding years. In 1983 when the Labor Government came to power Westrail employed approximately 8 500 workers, and when the Liberal-National coalition came to Government in 1993 it employed 4 800. The decisions were made on a progressive basis as a result of the changes at Westrail, including rolling stock procurements, technology, and a range of other matters. With these changes across the State and the nation fewer workers are required to do the work. That is not a criticism of the previous Government; it is simply a fact. Obviously it was all right for the Labor Government to move people aside or to take people from positions around the State in the very areas where freight movements were taking place, but where it was politically unacceptable that Government did not make as many changes as Westrail wanted.

Hon John Halden: That is rubbish! Look at the number of reductions. You are talking through your hat.

Hon E.J. CHARLTON: For all the same reasons the previous Labor Government refused to increase fares for Transperth. The management of Transperth wanted to increase fares. I visited two depots today - and I have visited others earlier. The staff at Transperth said that the previous Government did not go far enough, and that they have suffered as a consequence of the previous Government's refusal to increase fares. The management of Westrail do not agree with the two hour ticket whereby people can ride around on the system for free -

Hon John Halden: Will you abolish that?

Hon Mark Nevill: Can people ride free for two hours?

Hon E.J. CHARLTON: Yes. People can pay for a ticket to go from A to B but the ticket is valid for two hours so people can continue to ride around.

Hon John Halden: Will you abolish that?

Hon E.J. CHARLTON: Hon John Halden has no vision! He has no capacity for anything -

Hon Graham Edwards: We want to know about your vision. Will you abolish that system?

Hon E.J. CHARLTON: Members opposite can ask all the questions under the sun and play as many political games as they like. However, Hon John Halden has no interest in Transperth.

Hon Graham Edwards: We are interested in your vision.

Hon E.J. CHARLTON: He has no interest in Westrail, main roads or road funding. All he is interested in is seeing if he can get me or anyone else in Government to make a statement so that he can play politics with it. He could not care less that in the past 10 years the Labor Government ripped off the Main Roads Department by \$300m and gave funds to Transperth in lieu of increasing fares.

Point of Order

Hon JOHN HALDEN: I am always tolerant, but I think the Minister is travelling somewhat away from the substance of the motion before the House.

The DEPUTY PRESIDENT (Hon Barry House): Order! I think the Minister is attempting to make his remarks relevant to the debate. I anticipate that he will bring his remarks directly to the terms of the motion before the House. There is no point of order.

Debate Resumed

Hon E.J. CHARLTON: From the member's point of order I can understand that he finds it a bit hard to swallow some of the unpalatable facts of which he is reminded. The terms of his motion are so wide of the mark and show no relevance to what has happened in Westrail. He wants an inquiry into a whole range of consequences but he seems to have conveniently forgotten the changes to Westrail that have occurred during the past

10 years. The difference between the previous Government's decision and our decision is that the outcome from our decision will see an increase in the movement of freight by Westrail. It is not merely a political decision to reduce staff numbers.

Hon John Halden: How do we know that?

Hon E.J. CHARLTON: The previous Government sold out to its Federal counterparts in an attempt to get funding under the One Nation package, which it did not get. The previous Government got short-changed. Members opposite failed to tell us that prior to the 1983 election the then leader of the Labor Party, Brian Burke, promised to reregulate all products back to Westrail. He gave a policy commitment, a promise, to Westrail workers that his Government would reregulate all of the small goods and all of the other deregulated operations back to Westrail. When Brian Burke got into Government, did he do that? He did not. In 10 years in office he and his successors reduced the work force of Westrail from 8 500 to 4 800.

Hon Graham Edwards: He still did not close the Midland Workshops.

Hon John Halden: Does this have anything to do with this motion?

Hon Peter Foss: It has historical context.

Hon John Halden interjected.

Hon E.J. CHARLTON: I know Hon John Halden has no conscience. That is why he always takes the point that he has espoused. He is asking me why I am talking about this, why am I bringing up the past. I am illustrating that this motion is without any foundation. It is hypocrisy at its best. It is simply saying, "We want to have a select committee; we want to find out what effect and social impact this decision will have on the community at Midland." If that is a valid reason for having a select committee, why did those people when they were in Government -

Hon Graham Edwards: Because we didn't close down the Midland Workshops.

Hon E.J. CHARLTON: The previous Government reduced the work force from 8 500 to 4 800. The foundation of this motion, as it relates to the impact of the closure of the Midland Workshops, is based upon the fact that those opposite have no -

Hon Graham Edwards: Are you saying it's Brian Burke's fault?

Hon E.J. CHARLTON: The member does not know.

The DEPUTY PRESIDENT: Order! The Leader of the Opposition still has an opportunity to contribute to the debate. Hon John Halden has the right of reply. I suggest that there is ample opportunity to make points without interjecting. Mr Charlton, please address your remarks to the Chair.

Hon E.J. CHARLTON: It is obvious that on the one hand those opposite do not like to be told about some of the decisions which they believe have had no social impact while on the other hand they believe this decision does have some impact on the Midland community. When the announcement was made we put in place a group of people including representatives from the Chamber of Commerce, local government, the business sector and a wide range of other interested people across a broad spectrum, to look at the options they would like to see for the Midland Workshops land. They are taking advantage of that opportunity. Many people have put forward suggestions. Westrail and the Government have jointly called for expressions of interest for that site. I have told people of the opportunities for the community of Midland and the surrounding areas. In future the site will be used for something more than that currently occupied to a minimum by the downsizing of the Midland Workshops which resulted from previous Labor Government decisions. The previous Government sought to do away with more people than will be affected by this decision.

Hon Graham Edwards: That is the easy way; close it down. The challenge is to make it efficient.

Hon E.J. CHARLTON: Why did the Labor Party not do that then? It was too busy playing politics.

Hon Mark Nevill: We did make it more efficient. Efficiency improved dramatically.

Hon E.J. CHARLTON: Opportunities for the future use of the Midland Workshops area are available. People in the Labor Party and their narrow-minded supporters do not like to hear that there can and will be far greater and more positive opportunities for the use of that site. Those opposite think the only thing that can take place on that site is a degraded, old fashioned Midland Workshops with a lack of technology and capital input over previous years. The former Government said that after the election it would spend \$27m on the workshops. Obviously it would never do that because it had not done it for 10 years. At the same time the previous Government entered into an agreement to set up the National Rail Corporation which ensured that Westrail lost one-sixth of its freight movement.

Hon Mark Nevill: Why didn't you debate the NRC in Parliament?

Hon Tom Helm: He agreed with it.

Hon E.J. CHARLTON: That was another political stunt to cream the people of Midland and other so-called supporters of the Labor Party.

The next point in the motion refers to the options available to Westrail in having work done for it that would otherwise have been carried out at the workshops. That is also part of Westrail's plan. The managers of Westrail were appointed by the previous Government. We did not appoint any new members to the management. If the managers of Westrail have made a wrong decision, those opposite must realise that those managers were appointed by the Labor Party.

Hon John Halden: Are they all political appointees? Of course not. You are boneless in terms of this substance.

Hon E.J. CHARLTON: Hon John Halden is the one without the capacity, knowledge and background to deal with the facts. The motion also asks where the work previously done by the workshops will be carried out. He says that because the Churchill crankshaft grinder at the workshops is the only one in Western Australia, the work must be done at Midland or by hand. Have members ever heard such a ludicrous, irresponsible, uninformed statement as that?

Hon Peter Foss: Never.

Hon E.J. CHARLTON: Of course, it is the only grinder of its type because it is the only one required to do work for Westrail, and it is in the Midland Workshops. Why would anyone else have one? Other workshops might have one on show because all the work is being done in Westrail's workshops. People elsewhere have not had the opportunity to do the work.

Sitting suspended from 6.00 to 7.30 pm

Hon E.J. CHARLTON: Prior to the dinner suspension I was going through the terms of reference for the select committee proposed by Hon John Halden on which he based a need for that committee. I was dealing with part (1)(b)(ii) of the motion; that is, the options available to Westrail in having work done for it that would otherwise have been carried out at the workshops. The member commenced his comments by saying that he was not able to determine from anything that had been said or reported so far - because no report had been tabled - the reasons for the closure and the financial difference between closing the workshops and having them remain open.

In 1989-90 the value of output by the Midland Workshops was \$45.5m and the cost of operating was \$68.2m, giving a loss of \$22.7m. In 1990-91 the outgoings were \$47.6m and the total cost of operating was \$67.4m, giving a loss of \$19.8m. In 1991-92 the outgoings were \$35.8m and the total cost of operating was \$54m, giving a loss of \$18.2m. In 1992-93 the outgoings were \$34.6m and the overall cost was \$54.8m, giving a net loss of \$20.2m. The projected outgoings for 1993-94 are \$33m and the projected total cost is \$54.4m, giving a projected net loss of \$21.4m. Those figures could be debated and it could be suggested that they were inaccurate. People may wish to point out that Westrail's Midland operation was subject to a range of indirect costs that could

not be substantiated. That is a fair argument. People could argue that until the cows come home. People could also say things about head office or the depots in Forrestfield, Kwinana or Picton and talk about the various costs that have been levied against those operations. The fact is that whichever way we look at it, Westrail recommended to me that the workshops be closed by March next year because massive increases in capital investment would have otherwise been necessary and the requirements of those workshops would automatically have been less owing to the changes in technology.

The position had changed from having 300 steam locomotives, predominantly built in the workshops, to the situation now where all the engines are imported into the State. Many components, as occurs with car parts, are not made in Western Australia. The railway system is no different from the road system, and the locomotives operated by Westrail are no different from the locomotives operated by the mining companies in the north of this State. Much of the maintenance on the mining locomotives is carried out by the private sector. Much of the work for Westrail will also be carried out by the private sector. Although people may speculate one way or another, depending on whatever way they want to promote the argument, the end result was that if Westrail wanted to up market its whole operation to a position where it was responding to not only the changes in the market trends but also technology, it had to be recognised that the Midland Workshops in their present condition had no future.

Not only was it not fair to the people who worked there - because they had no future with the technology being provided to them - but also a financial burden was placed on Westrail. Westrail's whole work force knew that unless a massive input of capital investment into that operation occurred, Midland would be second class operators within the Westrail system. Some people in the Opposition do not want to acknowledge and accept that. The people at the Midland Workshops were given the opportunity to move to another operation in Westrail if they wished. They could be retrained. Westrail's emphasis is on retraining and providing technical opportunities to those people who want to set up their own businesses. Many people have sought to do that; it is an ongoing process. It is tremendous to see that, instead of being negative about their operations, the employees are being encouraged to take up other opportunities in the workplace and around the State to create a future for themselves. They are not only being trained but also are developing the business acumen that is needed in this competitive world to be able to start up a business. I congratulate everyone involved, particularly the Westrail workers, for taking that initiative.

As a consequence of the redundancy package offered, at 28 July 1 600 people had expressed interest in severance packages; 624 of those people were from Midland. In addition, 125 people out of the 234 who opted to take the redundancy package come from Midland. A further 170 Westrail workers from Midland have decided to take the redundancy package over the next few months. Therefore, 300 people from Midland have opted to take the redundancy package. The Government envisaged that 500 people would take the redundancy package in the first year and a few months down the track that figure has nearly been reached.

Hon John Halden: You are halfway there.

Hon E.J. CHARLTON: I said that 234 people have already taken their redundancy package and a further 170 people have signed up to take it. Therefore, appropriately 400 people have opted for the redundancy package with 300 of those people coming from Midland.

Hon John Halden: Are all of those who have signed to take the redundancy package from the Midland Workshops?

Hon E.J. CHARLTON: No. I will repeat what I said for the benefit of the member. Of the 234 people who have already taken the redundancy package, 125 came from the Midland Workshops and a further 170 workers have signed up to take the package. In addition, 88 people have taken up positions in other areas of Westrail. I will provide Hon John Halden with the figures at the conclusion of my speech. Hon John Halden may not want to acknowledge the fact that those people who opted to remain in Westrail, and

many of them have, have taken up positions in other Westrail operations. The response from the people who want to leave Westrail is overwhelming and it is contrary to what a lot of people thought would happen.

Hon John Halden: Did you say that these figures are based on the situation as at 26 July or 28 July?

Hon E.J. CHARLTON: They are based on the situation as at 28 July.

A public campaign discouraged people from leaving the Midland Workshops, yet we have had this overwhelming response. At the time of the Government announcement to close the Midland Workshops it was suggested that the Government had taken the easy option and that it would not treat the white collar workers in the same way. The Government also announced that a review of Westrail's head office would be undertaken and it was estimated that 300 jobs would have to go. I was told by those knowledgeable people outside Westrail that that would never happen.

Hon Mark Nevill: How much of the work undertaken at the workshops will now have to be contracted out?

Hon E.J. CHARLTON: Let me finish the point I am making. The administration at head office has reached the conclusion that in excess of 300 people are not required in its operations. The people affected have been advised of the situation and the time allowed for them to decide whether to accept the redundancy package has been extended to allow them to make plans for their future. The response from these people has been positive.

I have met with various unions at their request to discuss the situation and our discussions have been congenial. I do not know what they said when I left, but that is their business. The unions' main concern is to ensure that workers have the opportunity to be briefed on retraining prospects and are advised of the procedures that should be followed if they choose to take another position in the work force. That information has been made available. I have not received one criticism from the unions about the information not being made available. The Government and Westrail are committed to providing the relevant information to the affected members of the work force.

I should reinforce what I said previously about Westrail's work being carried out in this State. Everything that can be done in Western Australia will be done here. The Government would not for one moment accept the prospect of work that could be done in this State being contracted out to interstate or international interests.

Hon John Halden: Despite the fact that it was being done at Midland?

Several members interjected.

Hon E.J. CHARLTON: Hon Tom Butler can bleat about this Government being irresponsible, but the fact is that he does not like to listen to what I am saying.

Hon T.G. Butler: You do not listen to people without hurling abuse at them.

Hon E.J. CHARLTON: It is obvious what the Opposition would have done if it had been in Government. It would have kept the Midland Workshops open and the users of Westrail would have been forced to make up the losses incurred.

Hon Mark Nevill: It would have made it more efficient. It has been a gradual process. My brother worked there 20 years ago and I bet it is a lot different now than it was then and there is room for improvement.

Hon E.J. CHARLTON: Many people did their apprenticeships at the Midland Workshops and they have now taken up other positions in the work force. The workshops had no future.

Hon Tom Helm: You did not give it a chance.

Hon E.J. CHARLTON: Members opposite had their chance. They are not interested in Westrail's future; they are only interested in gaining political advantage.

Hon Mark Nevill: Look how Westrail has changed in the last 10 years.

Hon E.J. CHARLTON: The previous Government did not try to reduce the work force.

Hon Mark Nevill: We deregulated all those wheat bins because the farmers were being ripped off by the action of your Government.

Hon E.J. CHARLTON: What did the previous Government do for the farmers in this State and nation over the last 10 years? It did not care about them.

Hon Mark Nevill: The prices went up by 30 per cent on more than one occasion in the last few years of your Government.

Hon E.J. CHARLTON: They did not. I will debate that issue with the member whenever he likes. I visited the country areas and gave my two bob's worth about what was happening to Westrail. On the eve of the 1983 State election the deregulation had started. To win Government, the Labor Party had made a commitment that it would return to deregulation.

Hon Mark Nevill: There was not one strike in the 10 years we were in Government.

Hon E.J. CHARLTON: There has not been one strike since the Government made this decision.

Hon John Halden: Was it a stop work meeting?

Several members interjected.

The DEPUTY PRESIDENT (Hon Barry House): Order! I ask Hon Mark Nevill to cease his interjections.

Members opposite while in Government sneaked off to Canberra to do a deal with Mr Keating to ensure that Westrail lost one-sixth of its operation.

Hon Mark Nevill: Why did you not bring that deal to the Parliament and discuss the changes to the National Rail Corporation?

Hon E.J. CHARLTON: We did discuss it here before. The former Government signed up to lose one-sixth of Westrail's operation and now members opposite want me to bring the matter back into the Parliament to be debated again because they did not have the guts in Government to do what they needed to do. They are a pathetic lot!

Several members interjected.

The DEPUTY PRESIDENT: Order! The Minister should address his comments to the Chair and that will help to progress the debate.

Hon Mark Nevill: What you have done to the NRC -

The DEPUTY PRESIDENT: Order!

Hon E.J. CHARLTON: "What you have done to the NRC"; if Hon Mark Nevill wishes to discuss the NRC he should do so with his leader in the other House and the former Minister for Transport who signed with the Federal Minister to ensure the demise of Westrail's interstate freight business.

Hon Mark Nevill: There is a better deal than the one you have negotiated.

Hon E.J. CHARLTON: What a job!

Hon Mark Nevill: You will not know because you did not bring it back here to be debated.

Hon E.J. CHARLTON: Does the member think I would bring it back here so he could tell me what a better proposition it is to be a shareholder? How well is the NRC going? It has not started, yet the member wants to be a shareholder in it.

Hon Mark Nevill: You wouldn't know.

The DEPUTY PRESIDENT: Order! If Hon Mark Nevill cannot refrain voluntarily from interjecting I will be forced to take severe action.

Hon Mark Nevill: Have you got a licence?

The DEPUTY PRESIDENT: Order!

Hon E.J. CHARLTON: There must be something in the letters "NRC" that fires the member opposite into action. He must think they stand for "Neville Regroups".

Hon Mark Nevill: If the Minister is going to refer to me he should use my proper title.

The DEPUTY PRESIDENT: Order! The Minister should address his comments to the Chair.

Hon E.J. CHARLTON: The decision to go to the NRC in the manner representatives of the former Government did had an immediate bearing on the operation of Westrail. It ensured that a whole range of people currently employed by Westrail -

Point of Order

Hon JOHN HALDEN: I suggest, Mr Deputy President, that I have been tolerant because the NRC has nothing to do with the motion before the House about the establishment of a select committee to investigate how the Government arrived at a decision regarding the Midland Workshops.

The DEPUTY PRESIDENT: I was wondering about the tenuous thread of the debate. I am sure that the Minister will bring his remarks to bear on the motion before the House.

Debate Resumed

Hon E.J. CHARLTON: In fact, the NRC decision had an impact on the Midland Workshops because Westrail lost one-sixth of its freight operation and everything associated with it. It was not my intention to introduce this matter into the debate because former Government members know only too well that they made a decision that had an obvious consequence.

Hon Mark Nevill interjected.

The DEPUTY PRESIDENT: Order! The Minister should ignore interjections.

Hon E.J. CHARLTON: When one goes through the whole Westrail freight operation and talks about why we need a select committee with these terms of reference one must say that the final point about capital and recurrent costs, including the costs of redundancies and resulting underemployment, to the State of maintaining or closing the workshops misses the point that the amount of \$18m can be debated forever and a day. Obviously members opposite will do so because they want to put forward a set of figures to suit their argument.

I have said, and it is obvious the Opposition understands, that the cost of implementing redundancies depends on how many people take redundancy in the first two or three years of the offer. The Government has said that the number is up on expectations at the moment. Time will tell whether the number of people we have indicated will take redundancies do so early or late as they have the option to do either. That will determine when the package pays for itself. It is intended on our budgeting that that operation, which will cost about \$36m, should pay for itself in two years. If people do not take the option during that time and redundancies stretch over a longer time savings will be made over that longer time. The end result will be that Westrail will be a better managed operation and as a result of this decision will be able to have its work done in line with the technology available.

At the moment a task force in addition to the one already put in place to look at the site in Midland and invite expressions of interest in it is meeting with people in the private sector and Westrail's country operation representatives to ascertain which people are interested in providing a service to Westrail. This is a unique opportunity for people to do that. This fact has been made public by the Government. This has not been done under cover in the way that members opposite carry out their operations when they want to make changes. This is a public operation and the Government is encouraging the private sector to express interest in Westrail work.

Westrail is now in a position to progress into the next decade confident it will be

competitive with road transport operations. The Government does not see Westrail and road transport as hard nosed competitors in the overall moving of freight in this State. However, they must complement each other because we must have an efficient, well oiled State rail system to do the jobs it is best placed to do. We also need a road transport system which is able to do its job and provide transport requirements where rail does not operate. The previous Government implemented a deregulation process so that people who were best placed to do a job could do it. This Government is progressing what the previous Government should have been involved with instead of playing politics as the Opposition has done.

Finally, if Hon John Halden had put forward a proposition for a select committee to look into the future use of the site or future operations of Westrail to ensure it attracted more freight to its operation - that is, a whole range of positives instead of negatives which look back at yesterday, which is typical of and expected from the honourable member - things would be different. The fact is that the Government opposes the motion to establish this select committee because it would do nothing for Westrail or its employees and would merely be a tool that Hon John Halden and his colleagues, tongue in cheek, would use for a bit of politicking. If they have that much time on their hands, they can continue to do that without a select committee.

HON JOHN HALDEN (South Metropolitan) [7.59 pm]: It is appropriate that I go through the points raised by the Minister one by one. He said that Westrail has lost opportunities because of a loss of trafficking of forestry goods, mineral sands and the like. He went on to say that there had been a range of disasters that had to be fixed up economically. I recall last year that Westrail made a commercial profit. It is surprising that this drastic cut happened in a year of a commercial profit but of course the Minister, to use his words, "carefully negotiated", and forgot to mention that fact.

Hon E.J. Charlton: Do you know what is a commercial profit?

Hon JOHN HALDEN: I do. As to the National Rail Corporation, by way of interjection I said that it was not relevant. However, I referred to the total operations of Westrail. When in Opposition, the Minister for Transport had the opportunity to disagree with the direction taken by Westrail. At the Estimates Committee four months before the election he had the opportunity to challenge the new direction taken by the workshops, as expanded by the Commissioner for Railways, but he was silent.

In today's debate we heard an affirmation of the figures I presented; that is, in 1992-93 an amount of \$18m was lost. We waited a long time to hear those figures, but once I was presented with them I had no choice but to accept them and the generosity with which they were offered even though we had to wait 10 weeks for them.

Hon E.J. Charlton interjected.

Hon JOHN HALDEN: He presented them because I gave them to him. They were the leaked documents that I received.

Hon E.J. Charlton: He got them from the newspaper.

Hon JOHN HALDEN: Westrail's gross expenditure was \$54m that year but, as I pointed out, and the Minister refused to comment because he could not, the new gross expenditure resulting from the decision by the Government is about \$75m in the first year. Of course the Minister avoided that one. He did not want to become involved in that discussion because one year down the line the Government will not save \$18m. The State will be more than \$20m worse off because we must consider the gross expenditure in dealing with the same amount of work. Wagons will still need to be replaced and locomotives will still need to be maintained, and all the other work done at the Midland Workshops will need to continue. The Minister knows that. There is no point citing a figure unless one refers to it in the context of the replacement, and the replacement is a cost regime in excess of \$70m in the first year. The cost in the second year of operation will be in excess of \$60m. Where is the \$18m saving? Where is the justification? It is not contained in the Minister's statement. The Minister's statement was light on facts. This time all we received was five years of outgoings and costs, nothing more. Of course

the Minister offered those figures because I had provided them in my speech when introducing this matter. The Minister only confirmed the figures were accurate for that year.

Hon E.J. Charlton: Where did you get the last lot of figures that you read out?

Hon JOHN HALDEN: From the Minister's sources.

Hon E.J. Charlton: The figures were from Westrail?

Hon JOHN HALDEN: Yes and from the statements that the Minister's advisers made in country newspapers.

Hon E.J. Charlton: I am referring to the figures the member just read out.

Hon JOHN HALDEN: They came from the Minister's sources at Westrail and at his office. Had the Minister listened to my first speech he would understand.

Hon E.J. Charlton: I try not to listen to any of the member's speeches.

Hon Tom Stephens: It is your job to listen. You are the Minister and that is your responsibility.

The DEPUTY PRESIDENT (Hon Barry House): Order! I would like to listen to Hon John Halden.

Hon JOHN HALDEN: There is no point in the Minister's statement that the previous Government reduced Westrail staff from 8 500 to 4 800, or that it tried to regulate small goods, or to say that it was all Brian Burke's fault. We are not dealing with any of those issues. We are dealing with a decision made by the Minister for Transport, not based on any financial analysis, as he has admitted to this House when responding to a question from me on opening day of Parliament. There is no way around that. Since then an effort has been made to deprive us of information and to try to justify a decision that the Minister admitted on opening day was not based on any financial assessment. Where does that leave the integrity of the decision made by the Minister? There is no integrity generally, and there is no financial or social integrity in the decision.

In his speech today the Minister also tried to blame the decision on Westrail management somehow being Labor appointees. In my dealings with Westrail management, it is obvious they may not like the Minister or they may think he is short on a few fronts, but most definitely they are not Labor appointees. In many cases they are concerned people who have dedicated their lives to Westrail.

Hon E.J. Charlton: I said that they were there when Labor was in office so why did the member not do something about the Midland Workshops then? I did not say they were Labor appointees.

Hon JOHN HALDEN: The Minister did say that. I will not argue the trivia with the Minister. I agree with the Minister that the decisions were made by people in Westrail. Barry Henshaw submitted a report in August 1990 which was partially rejected by the Government. We did not take the road that he suggested. We took a far more considered approach that saw in the longer term a viable future for the Midland Workshops. As stated by way of interjection, the challenge for Governments of either persuasion was to make the Midland Workshops work. An enormous infrastructure in March next year will be lost to the State in financial terms; it is irreplaceable. But more so the skill base at Midland Workshops will be decimated, and that is acknowledged by Barry Henshaw.

The Minister pointed to a need for capital injection at the Midland Workshops. He is correct; both parties acknowledge that. Leading to the elections both parties spoke in the same dollar terms. Of course it was known that had to happen. Everyone knew that. Restructuring was necessary, and restructuring occurred. The whole of Westrail, for all the years we were in Government, was heading towards a path of financial and commercial viability.

The Minister also referred to redundancies. He said that 297 workers had departed from the Midland Workshops as at 28 July. Based on the document in my possession, on

26 July only 197 redundancies had been accepted. Again based on my data and on a detailed analysis of every job by title in the Midland Workshops I believe my figures are correct rather than the inflated figure which increased by 100 in two days. If the Minister can substantiate his claim on the same basis that I can substantiate mine, I will accept his point. A large number of people have gone, be it 197 or 297. That is a cost factor that must be included in the equation. My figures are correct because the offer was to be concluded at the end of the month. However, it has been extended to 10 September. If it were such a popular program with people clamouring to accept it why would the Government extend the cut-off date? It was because the take up rate was not what the Government hoped. That was the result because under the Labor Government the fat had been removed and the restructuring of the Midland Workshops had taken place. The people who wanted to go or thought they wanted a change in career path made that decision and had gone. Basically a core work force remained and that is the reason few people, on my figures, wanted to take up the option. The Government did not extend the date for the offer because it is benevolent. It was extended because the Government knew the offer would be very costly in years to come unless more people were prepared to take up the offer.

The Minister then went on to say that work that can be done in Western Australia will continue to be done in Western Australia. That is very pleasing to know. The only difficulty is that some of the machinery and technology to do the work is not at the Midland Workshops. It will not exist as of March next year. Unless that technology is replaced by the private sector, the work will have to leave the State. In all the cases I am aware of, that machinery has not been relocated within other Westrail depots. In other debates on this matter and in response to questions I have asked, the Minister cannot guarantee that the same amount of work will continue to be done in Western Australia. He knows he cannot achieve that end. At the end of the day more work currently done in Western Australia will have to leave this State. We all know that. The strategic monopolies that exist for the Midland Workshops in specific areas will be lost unless private enterprise takes up those initiatives.

The Minister said that there would be great difficulties in regard to the National Rail Corporation. I understand the ruling on the point of order I raised. In the Estimates Committee hearing in October last year Mr Gill, the Commissioner for Railways, discussed the Midland Workshops and said that there was a future in getting work from the NRC. Did the Minister, when in Opposition, question that? Did he inquire into that? No, of course not. It is quite likely that we could have shared in that process. Did the Minister investigate that process with his Federal colleague? No, he did not. I was in Canberra when the decision was made and I know the Minister had not been to see his Federal colleague. The Minister made the decision based on whatever advice was available, but he gave the Midland Workshops no opportunity whatsoever to explore the possibility of work in the NRC in spite of the fact that he had been told by the commissioner in the Estimates Committee that that was a distinct possibility.

The other factor that the Minister raised related to contamination of the site. Its value has been assessed as particularly low. Members ought to be aware that its residential development is limited because it is next to an abattoir. I do not know too many people who would want to live next to an abattoir. Because of the degree of contamination of the site I suggest that the task force that is looking into this matter may well have the same view as I do. Of course the Minister has gone through this facade. He has had to do so because the decision he made in the first place was flawed. There is no financial analysis on the table to this day as to how this decision will benefit the State. The Minister has not given us the gross expenditure figures as a result of this decision. He has not advised us where the work will be done by private enterprise. The Minister and his departmental staff still do not know exactly, to my knowledge, what work will be done in all of the depots. We are not far away from this decision.

Hon E.J. Charlton: They are not supposed to know yet; that is the process they are going through.

Hon JOHN HALDEN: This place is being closed down in March. In one regional

newspaper the Minister's adviser said that he hoped it would be closed by Christmas. I would have thought that by 4 August the Minister would have been able to provide some of these details.

Hon E.J. Charlton: Don't hold your breath.

Hon JOHN HALDEN: To suggest that the Minister does not know those important parts in a decision making process that is vital to the future of Westrail and to this State typifies why I believe there is a need to investigate this decision on the most thorough basis imaginable.

In conclusion, the fallacious figures as presented are the same as presented in the Henshaw report of 1990. As the Minister said, they probably came from the same staff who wrote that report. The figures are the same. The recommendations have now been implemented by this Government. There is no basis in sound logic or in fact - the Minister likes to refer to facts - to support this decision.

I hope this House does not decide to vote on this matter in a partisan fashion and not accept that there is a need to look into this matter. If the Minister's decision upon analysis is correct, I will be the first person to say that. Again after another lengthy debate in this place we have little by way of facts to substantiate this decision. The Minister did not criticise the figures I presented. He cannot do so because they are self-evident. I suggest they are very much on the conservative side of the loss that he will place this State in. I hope the House will consider the proposition before it in a reasoned way. If it does not, the consequences will place the future of Westrail in jeopardy.

Division

Question put and a division taken with the following result -

Ayes (12)		
Hon T.G. Butler	Hon Graham Edwards	Hon Mark Nevill
Hon Kim Chance	Hon N.D. Griffiths	Hon J.A. Scout
Hon J.A. Cowdell	Hon John Halden	Hon Tom Stephens
Hon Cheryl Davenport	Hon A.J.G. MacTierman	Hon Tom Helm (<i>Teller</i>)
Noes (13)		
Hon George Cash	Hon Peter Foss	Hon W.N. Stretch
Hon E.J. Charlton	Hon P.R. Lightfoot	Hon Derrick Tomlinson
Hon M.J. Criddle	Hon P.H. Lockyer	Hon Muriel Patterson (<i>Teller</i>)
Hon B.K. Donaldson	Hon Murray Montgomery	
Hon Max Evans	Hon B.M. Scott	

Pairs	
Hon Sam Piantadosi	Hon N.F. Moore
Hon Doug Wenn	Hon R.G. Pike
Hon Bob Thomas	Hon M.D. Nixon

Question thus negatived; motion defeated.

MINING AMENDMENT BILL

Motion - Order of the Day to be Discharged and the Bill referred to Standing Committee on Legislation

Debate resumed from 8 July.

HON MARK NEVILL (Mining and Pastoral) [8.21 pm]: I support the motion to refer the Mining Amendment Bill to the Standing Committee on Legislation. On the surface the Bill may appear to be fairly simple, but it is a complex Bill and the Standing Committee on Legislation should examine whether some of the provisions in this Bill cannot already be achieved under the present Act. For example, we need to analyse whether the proposed provisions for retention licences, rental reductions and exemption from expenditure are necessary. That will need time for consideration and that can only

be achieved by its referral to the Standing Committee on Legislation. I doubt whether the Committee stage of this Bill will be sufficient to sort out those sorts of issues.

The Minister's second reading speech contains no information about the necessity for important provisions relating to retention licences and the pegging of special prospecting licences on mining leases. This Bill also lends itself to referral to the Legislation Committee because it is not an urgent Bill. A delay of a few weeks will not cause any great concern. Consultation has occurred with the different lobby groups, and that is essential, but Parliament should not necessarily always agree with whatever the lobby groups decide. In that process there are often trade-offs. Lobby groups are often one step removed from the coal face and managers can often get it wrong. The scrutiny of this Bill by the Legislation Committee would allow lobby groups, individuals and mining companies to put their views and allow us to arrive at the correct conclusion. No major philosophical concerns exist with this Bill, although I have one concern. The main questions over some of the provisions of this Bill are practical concerns.

The Government's attitude to the referral of this Bill to the Legislation Committee will demonstrate its commitment to the standing committee system of this House and whether this Government and its backbenchers view this place as a House of Review. They have the luxury of forming the Government and holding the majority in this House. That is something that my party has never had. But that luxury carries with it responsibilities. It would appear that to date those responsibilities boil down to the lowest common denominator - the numbers. I hope the Government will indicate a change of practice on its part by accepting our sensible proposition of referring the Bill to the Legislation Committee.

This House has five Ministers and therefore a significantly reduced number of members are available to serve on committees. That puts a further burden on the Government and requires an extra effort to make sure that these standing committees work and can consider the different Bills and matters that come before this House so that the House does not simply rubber stamp whatever comes here. I know that in the years I have spent on standing committees I have tried to put party interests to one side. I hope that we see some effort in that direction by members of the Government.

The Minister has foreshadowed - I am not sure whether it was by way of comment or in his second reading speech - that a mining amendment Bill No 2 is in the pipeline. If that Bill relates to the provision relating to retention, licences or special prospecting licences on mining leases, it should be referred with this Bill to the Standing Committee on Legislation. If it is, I would like to take part in that committee's deliberations. In a debate yesterday I pointed out that members of this House who are not members of a particular committee have the right under standing orders to sit in on the deliberations of that committee. They can sit in on the public hearings and on the deliberations, but they cannot vote. I would certainly like to be involved in the deliberations of the Standing Committee on Legislation if, by some chance, the Government agreed to refer this Bill to that committee. The failure to refer it will underline the futility of anyone on this side trying to get something done in this House when the Government has the majority. If the Minister does not agree to that action, it is incumbent upon him to provide the answers to any questions put to him in the Committee stage because those answers could be provided if the Bill were referred to the Standing Committee on Legislation.

As I said before, the Bill is complex and there are issues associated with it that will require time for answers to be provided. This is an eminently suitable Bill to be referred to the standing committee. I have not moved this motion to grandstand or to score political points. I know if one wants to grandstand, it is easy to do it in this Chamber. I believe that the standing committee is the place where we can discuss issues rationally and then provide a report. I hope that the Government does not crunch the numbers but gives serious consideration to this motion and I urge members opposite to support it.

HON P.R. LIGHTFOOT (North Metropolitan) [8.32 pm]: I am at a loss to understand why it is thought the Mining Amendment Bill is so complex that it should be referred to the Standing Committee on Legislation.

Hon George Cash: It is a delaying tactic.

Hon P.R. LIGHTFOOT: It is a delaying tactic. It is not a bad piece of legislation as was some of the legislation drafted by the Labor Party. It is reasonably straightforward and it is not large. It allows for the small prospector, the man members opposite purport to represent but who we represent, to mark out a small area for gold prospecting. In these times that is a very attractive alteration to the parent Act because there is very little land left the small traditional prospector can take up in Western Australia. Most of the auriferous, greenstone belts have been marked off already by the larger companies and they total hundreds of thousands of square kilometres. This Bill allows prospectors to mark out finite areas of land notwithstanding that those areas have been taken up already by other exploration permits or tenements. To delay this Bill when gold is over \$400 an ounce seems to be an impost on the small prospector. This delaying tactic is not fair. This part of the Bill does not need to be debated at length. We do not need further information on this part of the Bill. This motion seems to be another way of shafting the small prospector and I will not be a party to that. If I can use my influence and stop this filibustering, I will do it.

Other provisions of the Bill provide for the amalgamation of licences so that they can be worked conjunctively, and we want to fix four year terms. There are many other aspects to it. It is a pity that for the last 12 years we have had a gold boom and we have been subject to the 1978 Mining Act; it does need to be altered. If the provisions of the 1904 Act were current today there would be no problem. Arthur Griffith was the Minister for Mines who was charged with rewriting the Act. It is a pity because, at the end of the gold era, we needed a new Act because by the time it came into force we were back in a gold boom. I hope we are not altering the 1978 Act because we are in a gold boom, and disregarding the certainty attached to other minerals that this State will undoubtedly mine in the future. The most important issue here is not the amalgamation of the exploration licences, although that is important, and it is not the fixing of the four year terms or the allowance for explorers who have delineated and outlined subeconomic reserves of ore to retain those reserves. It is undoubtedly the ability of a small prospector in these times to mark off an area that has the potential for him to work but is not fundamental to the economic viability of the major lease.

I ask my colleagues to disregard what was said by Hon Mark Nevill. This Bill needs to go through because it will assist the small prospector. As the Minister for Mines just said, it is a Labor Bill. It was drafted by the Labor Party and I can see through this charade of its trying to delay it. It must go through. The small man is as much entitled to get a hunk of this gold boom as are the large mining companies.

Division

Question put and a division taken with the following result -

Ayes (11)		
Hon T.G. Butler	Hon Graham Edwards	Hon Mark Nevill
Hon Kim Chance	Hon N.D. Griffiths	Hon Tom Stephens
Hon J.A. Cowdell	Hon John Halden	Hon Tom Helm (<i>Teller</i>)
Hon Cheryl Davenport	Hon A.J.G. MacTierman	
Noes (14)		
Hon George Cash	Hon Peter Foss	Hon J.A. Scott
Hon E.J. Charlton	Hon P.R. Lightfoot	Hon W.N. Stretch
Hon M.J. Criddle	Hon P.H. Lockyer	Hon Derrick Tomlinson
Hon B.K. Donaldson	Hon Murray Montgomery	Hon Muriel Patterson (<i>Teller</i>)
Hon Max Evans	Hon B.M. Scott	
Pairs		
Hon Sam Piantadosi		Hon N.F. Moore
Hon Doug Wenn		Hon M.D. Nixon
Hon Bob Thomas		Hon R.G. Pike

Question thus negatived.

Committee

The Deputy Chairman of Committees (Hon W.N. Stretch) in the Chair, Hon George Cash (Minister for Mines) in charge of the Bill.

Clause 1: Short title -

Hon MARK NEVILL: I want to canvass a couple of issues raised by the Minister in the second reading debate. When referring to me he said -

I received a request from the Amalgamated Prospectors and Leaseholders Association to provide the member with additional information, and I gave an undertaking that the information would be made available.

I sent a fax to the Minister's office requesting the information, and I wonder what that information was because I certainly did not receive it.

Hon GEORGE CASH: In the original discussion about this Bill being referred to a committee, Hon Tom Stephens raised this matter in the absence of Hon Mark Nevill. I said at the time that I had been approached by prospectors who were members of the Amalgamated Prospectors and Leaseholders Association and who were keen for this Bill to be processed through the Parliament as it had been around for quite some time. I said there were some areas which I understood Hon Mark Nevill was not happy about, even though the Labor Party originally had the Bill drafted, and it clearly had received the support of the Labor Caucus at the time. It was introduced in the Parliament last year but was not passed because of time constraints. The prospectors to whom I was speaking asked me to ensure that Hon Mark Nevill was given information on any areas about which he had some concern and which would assist him to understand the Bill further. I said that if he cared to have a briefing from the Department of Minerals and Energy on any aspect of the Bill, that briefing would be available to him. I am not sure whether he has had briefings on this Bill, but I understand he has contacted the department on a number of occasions. That is the context in which the statement was made.

Hon MARK NEVILL: The Minister said in the second reading debate that he understood I had been briefed on one occasion, and possibly more, by the department regarding the general intention of the provisions of the Bill. That is clearly not the case. It is probably an assumption but it certainly has not occurred.

Hon GEORGE CASH: I was advised that some representations had been made to the department and I was asked whether the department could brief Hon Mark Nevill on various issues, some of which I assumed were connected with this Bill. I accept his word that that has not occurred. However, if at any time the honourable member requires briefing from the Department of Minerals and Energy on any issue, I am more than happy that he be accorded that briefing. I think the member understands that is the situation.

Clause put and passed.

Clauses 2 and 3 put and passed.

Clause 4: Section 25 amended -

Hon MARK NEVILL: Clause 4 requires the Minister for Mines to consult the Minister for Fisheries. The Minister must consult where the tenement is between the high and low water mark or out to the seaward limits of the territorial or navigable waters. What is meant by "navigable waters", and how will that affect rivers such as the Blackwood River and the Murray River, both of which might be subject to mineral tenement pegging, and other internal waters?

Hon GEORGE CASH: I am advised that "navigable waters" in Western Australia are any waterways in which a boat can be used. That would include rivers such as the Blackwood.

Hon MARK NEVILL: That virtually covers all waters within the State, perhaps with the exception of salt lakes.

Hon GEORGE CASH: It is a very wide definition. It is intended to be as wide as the member has recognised.

Hon MARK NEVILL: I hope there is a more precise definition of "navigable waters", because in respect of inland lakes and freshwater lakes that will put a fairly onerous burden on the Minister for Mines.

Hon Tom Helm: What about wells and waterholes?

Hon MARK NEVILL: I would not like to navigate a boat around a well. Will the definition cover intermittent rivers like the Kimberley rivers?

Hon Tom Stephens: The Ord may be navigable as far as the dam, but what is the status of the Ord beyond the dam?

Hon MARK NEVILL: It must be clear to anyone who is pegging a tenement exactly what those words mean. If there is a precise definition, it should be made clear.

Hon GEORGE CASH: The member will see a definition of "navigable waters" in the Marine and Harbours Act. That is the definition that is intended to apply to the waters referred to in this Bill.

Hon MARK NEVILL: I hope that definition does not cover every area of water where a boat can be used.

Hon P.R. Lightfoot: What interpretation did you put on it?

Hon MARK NEVILL: I am not sure, but I assume that it would be fairly limited. I certainly would not include Bibra Lake or Jandakot Lake.

Hon GEORGE CASH: I will provide the member with a copy of the definition of "navigable waters" as soon as I am able.

Clause put and passed.

Clause 5: Section 45 amended and savings -

Hon MARK NEVILL: Clause 5 introduces a four year term for prospecting licences. Section 45 currently provides for a two year term, with an extension for a further two years, as approved by the Minister or a delegated officer. That extension has almost been automatic, and it certainly will simplify the Act to make it a four year term with no extension. If this Bill were examined by the Standing Committee on Legislation, I would like to see some modification of this proposal in cases where prospecting licences cover towns. There is a problem in the northern suburbs of Kalgoorlie with prospecting licences with two year terms. Those matters have not been resolved. Extending prospecting licences to four year terms could exacerbate the problems where tenements encroach upon gazetted townsites. I am not sure of the role of the local shires in preventing mining and exploration in those areas, and that issue cannot really be dealt with in Committee, but it could be dealt with by the Standing Committee on Legislation, and it is an issue that should be considered further.

Hon GEORGE CASH: The member has raised an important point. This amendment was proposed by the Department of Minerals and Energy for administrative efficiency, and it was certainly supported by the Amalgamated Prospectors and Leaseholders Association and, as the member knows, went through the mining industry liaison committee. The 1990 amendments to the Mining Act provide in proposed section 26A for the Minister to require the holder of a mineral tenement to do certain works on a tenement within a townsite, and it provides that the Minister can take back the lease, if that is seen to be necessary. I will ensure that the member's comments are referred to the mining industry liaison committee. Part of the charter of that committee is to give advice to the Minister about matters pertaining to the Act. If the committee believes that there should be some change, that will be the subject of a future Mining Amendment Bill.

Hon MARK NEVILL: One of my colleagues has passed me a copy of the Marine and Harbours Act, and the definition to which the Minister referred is not in that Act. I assume that there is a statutory definition of "navigable waters"?

Hon George Cash: I will supply that definition to the member.

Clause put and passed.

Clause 6: Section 56A amended -

Hon MARK NEVILL: The second amendment in this clause refers to retention licences, and clause 10 is the main clause of this Bill which deals with retention licences. Therefore, I move that consideration of clause 6 be taken after clause 10.

Hon GEORGE CASH: I have no objection to that. There is some logic in what the member is proposing in that he has already signalled to the House that he is opposed to some of the aspects of retention licences. Once clause 10 has been dealt with, clearly we will be able to proceed to clause 6.

Further consideration of the clause postponed until after consideration of clause 10, on motion by Hon Mark Nevill.

Clause 7 put and passed.

Clause 8: Section 67A inserted -

Hon MARK NEVILL: This clause refers to retention licences and should be considered after clause 6 has been dealt with.

Hon GEORGE CASH: The logic which applied to clause 6 being considered after clause 10 applies also to clause 8. The Government has no objection.

Further consideration of the clause postponed until after consideration of clause 6, on motion Hon Mark Nevill.

Clause 9 postponed until after consideration of clause 8, on motion by Hon Mark Nevill.

Clause 10: Part IV Division 2A inserted and consequential amendments -

Hon MARK NEVILL: This clause is the meat of the Bill. Anyone who says that this clause is straightforward has not really looked at the Bill in any detail; I certainly found it complex. That is why I did not want to deal with such a complex clause during the Committee stage, as the Legislation Committee would have been a much better forum in which to deal with the legislation; however, the die has been cast. Will the Minister provide the reasons for the granting of a retention licence and outline the period for which it is to be granted?

Hon GEORGE CASH: The member would be aware that clause 10 provides the criteria which must be met before a retention licence would be issued. Also, clause 10 provides the maximum time limit for which a retention licence could be granted; namely, for five years. Therefore, the answer to both those questions is in the affirmative.

Hon MARK NEVILL: I am not sure that the question has been answered. The clause contains certain criteria. In many cases in which Ministers are exercising their ministerial powers, reasons are not given for decisions. If the Minister grants a retention licence for whatever criteria contained in the legislation, will he make the reasons public so people will know the grounds on which the licence was granted?

Hon GEORGE CASH: The creation of retention licences is a new status of tenement, which involves the same rules - apart from the special retention licence criteria - which apply to other tenements. At the moment every time a tenement is issued, the Minister is not required to give written reasons for that issue. Proposed new section 70A outlines the criteria for the issue of a retention licence, and proposed new section 70B outlines the terms and conditions on which the licence may be issued. Proposed new section 70C deals with applications for licences. As the member indicated, clause 10 is fairly lengthy and complicated. It is a new proposed division. All the requirements are set out within the provisions. No requirement is involved for written reasons on the issue of a retention licence, in keeping with the situation with other tenements.

Hon MARK NEVILL: I would certainly not expect the Minister to provide reasons for the issue of exploration, prospecting or mining licences, but we are looking at a unique

licence in the form of the retention licence. It is important that other parties know exactly why a retention licence is to be granted. It may be because it meets one criterion or another, and that type of information should be made public. If that is not the case, that is a deficiency in the Bill. Also, and this may be redundant, where will the information be held?

Hon GEORGE CASH: Proposed new section 70D(1) reads -

An application for a retention licence shall be heard by the warden in open court on any day appointed by the warden that is at least 30 days after the receipt of the application.

The provision also lists other procedures to be followed in application. It may be helpful to explain some background on why retention licences are necessary. I confirm, as Hon Ross Lightfoot indicated during the second reading debate, that this is a Labor Party Bill.

Hon Mark Nevill: He also said it was not complex.

Hon GEORGE CASH: It is not complex to someone with Hon Ross Lightfoot's mining skills and experience; he has been in the industry for more than 20 years. This legislation is the same as the Mining Amendment Bill (No 2) 1992 which was introduced last year by the former Labor Government. However, it was not processed through the Parliament, it was claimed, due to a lack of time. My argument is that the former Government had decided that the legislation was not high on its list of priorities. In itself, that is regretted by the industry. The only change that has been made to the Bill is that the year has been changed to 1993 and the (No 2) clearly is not necessary in the short title.

I will explain a little about the retention licence and the need for it. The industry has agreed that the existing provisions of the Act do not adequately cater for the situation where some economic mineralisation has been identified and, therefore, the industry saw justification for the intermediate granting of a title between the exploration licence and the mining lease. It was also agreed that a retention licence was a more appropriate title to hold identified mineral deposits which, for political reasons, cannot be mined in the short term. There I refer to uranium, for example.

In respect of a retention licence it would, firstly, give improved security of title for subeconomic deposits which do not warrant further detailed investigations and/or mining. Secondly, it would facilitate the implementation of an appropriate work and/or research program to achieve the objective or economic development of the identified resource. Thirdly, it would readily indicate areas of identified subeconomic mineralisation in the State to the benefit of the industry and the Government. The mining industry liaison committee and the department believe that a retention licence logically fits into the sequence of mineral exploration and mining activities as exploration licences are used to explore and develop the prospect to an identified mineral resource. If that identified resource were uneconomic and required time for future operations or could not be mined because of some logistic, political, environmental or other difficulty, the retention licence could come into place. The exploration licence was not considered appropriate because, as far as the industry is concerned, exploration was complete. The mineralisation had been identified. The mining lease is not appropriate because, as I have said, mining is not proposed in the short term. It is fair to say that a mining lease is used for actual mining operations.

As to ground availability, that is a matter that Hon Mark Nevill has raised in this Chamber before. The first test applied to a retention licence application will be the identified mineral resource test. It is one of a number of classifications set out in the Australasian code for reporting identified mineral resources or reserves and put out jointly by the Australian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Australian Mining Industry Council. The code is used as an industry standard. In the case of identified mineral resources it covers in situ mineralisation which has been identified and estimated through exploration and sampling

and within which all reserves may be defined. Mineral exploration reports to support the existence of the resource must have been lodged with the geological surveys.

Other provisions of the retention licence enable the Minister to reduce the area that is applied for, impose expenditure commitments relative to the licence, approve a work program and require the holder to show cause why a mining lease should not be applied for. These provisions and the renewal process will ensure that retention licences are tightly controlled, that they are reviewed frequently and will not be allowed to spread across entire ground without valid reason.

Another question has been asked from time to time as to the fees that are likely to be charged for retention licences. At the moment the rate of rental for a retention licence has not yet been formally determined; however, discussions within the mining industry advisory committee have been on the basis that it would be half the rate of a lease. That lease fee at the moment is \$9.30 per hectare so the retention licence would be about \$4.75 per hectare. That compares with the rental of an exploration licence of \$80 a block or 35¢ per hectare. I hope that provides the member with a little more information. Retention licences will not be issued without due cause. The Bill clearly states the criteria that must be met before a retention licence can be issued.

Hon P.R. LIGHTFOOT: I reiterate that this legislation is not complex. If it is, it should not have any place in this Chamber. These Bills are not meant to be complex. If they are, there is something wrong with the drafting and they should be sent back.

Hon Mark Nevill: That is a strong comment.

Hon P.R. LIGHTFOOT: As I see it the basis of a retention licence allows ministerial discretion. The warden recommends on an application, or he does not, and it goes to the Minister in the same manner as other licences and other tenement applications. They take the same course. It is up to the Minister and his staff and his experts that, upon the Minister receiving an application from the warden recommending a retention licence, after consultation with his experts, the Minister finds for the warden's decision. Over the past 50 years or even 100 years it is very rare that, where the warden has recommended, the Minister has overturned the recommendation. That has happened on a few occasions, but it is very rare. I see this as conforming to the basis of the Mining Act. I do not think it is very complex at all. I am talking about proposed section 70B where it says -

Subject to this Act, the Minister may, on the application of the holder of a primary tenement, after receiving a recommendation of the warden in accordance with section 70D, grant to that person a licence to be known as a retention licence

...

That is the same as a licence for any other tenement. I do not see the Bill as being complex. If Hon Mark Nevill had something to do with the Bill in its early stages and he now says it is complex, I think there is something wrong with how the matter was handled in the first place.

Hon MARK NEVILL: I do not want debate on this Bill to become inane but I have to smile when Hon Ross Lightfoot says that he can recall the Minister overturning retention licences that have never existed.

Hon P.R. Lightfoot: I said recommendations from the warden.

Hon MARK NEVILL: Yes, in relation to retention licences.

Hon P.R. Lightfoot: I was talking about applications.

Hon GEORGE CASH: Hon Ross Lightfoot is correct. The licences are issued at the discretion of the Minister. I understood that Hon Ross Lightfoot was referring to other leases and not retention licences.

Hon Mark Nevill: He mentioned proposed section 70D when he said it.

Hon GEORGE CASH: My interpretation of what Hon Ross Lightfoot was getting at was current licences. Retention licences are the creation of a new status of licence within the system. It is recommended by the mining industry liaison committee. In regard to any

questions about the use and benefit of retention licences, quite clearly their use will be monitored very closely by the mining industry liaison committee. If it is seen that there needs to be any change, amendments can be referred back to this Chamber. While I understand that Hon Mark Nevill may be opposed to the creation of retention licences, the Chamber of Mines and Energy of WA and others in the industry strongly support the creation of this type of licence. I understand that the Chamber of Mines and Energy of WA has approached Hon Mark Nevill and encouraged him to support retention licences. I hope that he has taken some notice of the request by the Chamber of Mines and Energy of WA that the Opposition support the passage of what it declares to be a non-controversial Bill.

Hon MARK NEVILL: During the Committee stage we should be debating specific points. However, I take seriously what the Australian Mining and Exploration Council and the Chamber of Mines and Energy say to me, although I reserve my right to have a different opinion. This Bill came into Parliament last year, but as the Minister knows has always occurred and will no doubt occur for this Government, it came in with a rush of legislation towards the end of the session, and was accidentally introduced before it went to caucus. I did not see it; if I had seen it, I would have said in caucus what I am saying in public now.

Hon Derrick Tomlinson interjected.

Hon MARK NEVILL: Let us be serious; I am letting members in on a few secrets. I would have opposed some of the provisions. I will make a small wager now, and will be humble if I am proved wrong, that it is very doubtful that retention licences will be used as much as people anticipate. Although the Minister made some informative comments when he spoke at length earlier, he strayed from discussing whether the reasons for deciding to grant a retention licence will be made public. Proposed section 70D requires that following an application for a retention licence and its having been heard by the warden, a person has 30 days to object. Following a Minister's decision to grant a licence, a person may want to plaint or object to it later. It is therefore essential that the reasons for granting retention licences be on public record. It is wrong to equate them with the reasons for granting other licences. It is a unique situation. Will those reasons be made public? If not, will the Minister consider an amendment to the second Mining Amendment Bill to make them public? A number of criteria are involved and a person who has an interest in the land which is the subject of a retention licence should know those reasons.

Hon P.R. LIGHTFOOT: The Bill provides that the warden shall hear the application after 30 days and recommend in an open court whether the Minister should grant a retention licence. Therefore, it is not incumbent on the Minister to make public the reasons for his decision, if that is what Hon Mark Nevill is saying should happen. To pick an extreme example, it may be like the Yeelirrie uranium deposit on which a retention has been held since the early 1970s.

Hon Mark Nevill: That is not extreme; it is obvious.

Hon P.R. LIGHTFOOT: It is extreme in the sense that it is an element. It may be obvious to Hon Mark Nevill, but it is not obvious to other people.

Hon Mark Nevill: It would be obvious to anyone interested in that ground.

Hon P.R. LIGHTFOOT: They are not here tonight and that is the point of my speaking. If a deposit like the Yeelirrie uranium deposit - one of the biggest carnotite deposits in the world - were being held under a retention licence, the Minister should not be required to make public all the details of that deposit or the reasons for granting a retention licence. It should not be necessary to publicise other areas in which millions of dollars have been spent on exploration and delineation of reserves. The Minister may believe it is in the best interests of the public to divulge detailed information about millions of dollars of drilling, exploration and geophysical work. Nonetheless, at all times the decision should remain within the province of the Minister, who is advised by experts. Unless that occurs, I see no reason why ministerial discretion, particularly under

proposed section 70D, should be amended to make it compulsory for the Minister to make public the reasons for his decision. The Department of Minerals and Energy has files which, generally speaking, unless one acquired the land on which a company has completed previous exploration, are not made public, except to someone - the Minister can stop it - who pegs or marks off and is granted land on which some previous exploration has been done. I see no reason why decisions on retention licences should be any different. The basis of the Mining Act is ministerial discretion based on the expert advice which the Department of Minerals and Energy and Geological Survey of Western Australia have built up over the decades. This must remain within the province of the Minister's discretion at all times.

Hon MARK NEVILL: The granting of a retention licence is within the discretion of the Minister. Not for a moment is anyone suggesting that details of drilling should be divulged in the reasons the Minister might provide. The criteria are set out in the Bill whether the identified mineral resource is uneconomic or subject to marketing problems, whether it is to sustain future mining operations or whether there are existing political, environment or other difficulties in gaining the requisite approvals. In some cases it would save people interested in that ground much time and effort. People are entitled to know that information. If I were the Minister I would have no problem making those reasons available to the public. It would be in the public interest for that general sort of information to be provided. If a prerogative writ were issued against the Minister for his decision he would have to provide those reasons. This would save a lot of time and the information should be publicly available.

Hon GEORGE CASH: Time will tell whether the retention licences will be used as often as some people in the industry anticipate or forecast. The licences will be used in a constructive way by the industry to preserve economic deposits which have been identified.

Proposed section 70C sets out the requirements for the lodging of an application for a retention licence. A considerable amount of detail is required to be submitted before an application can be considered. Proposed section 70D refers to the hearing of an application for a retention licence. Proposed subsection (1) states that an application for a retention licence shall be heard by the warden in open court on any day appointed by the warden that is at least 30 days after receipt of the application. I emphasise that because it is a public process. Proposed subsection (2) states that a person who desires to object to the granting of the application shall lodge at the office of the mining registrar a notice of objection within the prescribed time. Under the regulations the prescribed time is 35 days. It is part of the public process.

Hon Mark Nevill: Have the regulations been drafted?

Hon GEORGE CASH: They are already prescribed in respect of objections to the licences. The Minister has the discretion to determine whether licences shall be granted and I see no value in publishing his decision.

Hon Mark Nevill: I am not saying decisions should be published in the newspaper. They should be available at the Department of Minerals and Energy.

Hon GEORGE CASH: It will not speed up the process. The opportunity is available for the Minister's decision to be challenged. The Minister must show cause why he did or did not grant a licence, but for the Minister to provide reasons each time a licence is granted would not speed up the process and it is not something the industry has asked for in the past. The member is reluctant to progress retention licences to the point the Government proposes. It is something new and there is an element of uncertainty because we do not know how often applications will be made for them. The Government supports the industry's view that there is a need to create this new status of licence. The mining industry liaison committee and the mining industry generally will closely monitor the progress of retention licences. If there is a need to introduce amendments to correct any anomalies that might arise, that will be done in due course. The Government has an obligation to do that.

Hon MARK NEVILL: A person who objects to an application for a retention licence would lodge his objection with the Warden's Court. There is no way that person would know why the retention licence was granted and for that reason the information is essential. When I said that the information should be made public, I did not mean it should be published in the newspaper. The conditions and the period applying to the retention licence should be available in the computerised tenement information system. The licence could be granted for up to five years. It is not unreasonable that this information should be on the public record.

Hon GEORGE CASH: A person who wants to lodge an objection against a retention licence does so by lodging his objection with the registrar. All objections are considered by the warden in open court. Again, I am trying to identify the public process. The warden, having considered the information before him, makes a recommendation and in due course the Minister either grants or refuses to grant the retention licence. If the licence is granted the conditions and the term pertaining to it are recorded in the register which is a public document.

Hon Mark Nevill: Are the reasons included?

Hon GEORGE CASH: No. I am trying to demonstrate to the member that there is a fairly wide public process in the issuing of licences and the same process is intended to apply to retention licences.

Hon Mark Nevill: Do you consider it would be onerous for the Minister to say that the retention licence is granted for future mining operations, because a deposit is not economic or because of some environmental problem? It would save the plaintiff a lot of unnecessary work if the information is available.

Hon GEORGE CASH: The conditions outlined in proposed section 70H set out many of the conditions the member raised; for example, the program of work that is approved and the expenditure conditions. It is a public process which will be monitored. The points the member raised will not be swept under the carpet; they will be considered.

Hon MARK NEVILL: I thank the Minister for agreeing to look at placing the reasons on that register, at least in general terms, in future. I understand that between 2 000 and 3 000 leases are exempted from expenditure for all sorts of reasons; for instance, companies in liquidation. Has there been any assessment of what portion of those licences qualify for a retention lease?

Hon GEORGE CASH: No. I do not believe any work has been done on that, or that any company automatically applies for a retention lease.

Hon MARK NEVILL: The main criticism of retention leases is that they seem to be unnecessary. They provide another type of tenement and we are already overloading the system for very little if any benefit. What is lacking in the provisions of the present Act that it cannot deal with a situation that requires the equivalent of a retention licence?

Hon P.R. LIGHTFOOT: Can the Minister confirm that the retention lease is designed, at least in part, not just to cover and protect expenditure that could amount to millions of dollars but also to allow for the more economic retention -

Point of Order

Hon MARK NEVILL: I have addressed a question to the Minister. I am quite happy for the Minister and his adviser to discuss the matter, but the proposition of another question coming in on top of mine does not help the situation.

The CHAIRMAN: No point of order arises in Committee where any member may rise at any time.

Debate Resumed

Hon P.R. LIGHTFOOT: Are retention leases not designed in part at least so that there can be a more economic retention of leases, not as a retention tenement but because the rental placed on the proposed retention licence is about half that of most other tenements and particularly exploration licences?

Hon GEORGE CASH: The answer to Hon Ross Lightfoot is that is certainly part of the reason for the establishment of retention licences. I disagree with Hon Mark Nevill's comment that retention licences, once created, will overload the system. They will provide an opportunity for people to hold land pending its development. We have talked about the identification of subeconomic mineralisation and the idea of a retention licence for someone who has found something subeconomic which is not viable at the time or politically impossible to mine and wishes to hold a particular resource to do so while awaiting either a change in the price of the mineral so that the deposit becomes economic, or perhaps for the political system to change to enable a mineral such as uranium, for instance, to be mined and exported.

Another reason for the creation of a retention licence is that it could almost be described as a halfway house between an exploration licence and a mining lease. Quite clearly they are used within the industry for different purposes, as Hon Mark Nevill well knows. As I recall, when the Chamber of Mines and Energy of WA addressed Hon Mark Nevill about the need to support retention licences - and I was sent a copy of the correspondence sent to Hon Mark Nevill - it said that it saw the fundamental need for retention licences as a new tenement type to provide for the holding of tenements pending development with provisions designed specifically for this purpose.

The creation of a retention licence will allow mining leases and exploration licences to be used for the specific purpose for which they were created and not the inappropriate purpose of holding title to already discovered ore bodies.

Hon MARK NEVILL: My question was: What is lacking in the provisions of the present Act so that it cannot deal with a situation that requires the equivalent of a retention licence?

Hon George Cash: There is no halfway house.

Hon MARK NEVILL: Quite clearly the question of rentals can be dealt with under the present Act. The question of exemptions can also be dealt with under present provisions. I had discussions with people in the mineral sands industry who argued for a retention licence, and I was presented with a new and novel argument. I was grateful to hear at least one argument in support of retention licences. The argument related to the idea of a halfway house between exploration licences and mining leases. The representatives said that their industry had a peculiar problem related to the fact that they were mining on private land. It was not really a problem with the Act but with the perception held by some people that if a mining lease existed on private land and the company did not intend mining for seven or eight years, the owner sometimes got it into his head that he would mine the lease the next day or would not mine it at all. I think the reality is that if one has a mining lease one intends to mine it, whether now or in seven or eight years. I believe it is dangerous for people to hold on to mineral reserves with no clear intention to mine them.

I assumed they would object to paying the mining lease rentals, but they had no objection; which begs the question whether we will give them a free reduction. Though we can be magnanimous and give people benefits, we also have a responsibility to ensure the preservation of public revenue in one form or another to ensure that people are not receiving a benefit when they do not require it. I was surprised to hear people say that the reduction in rentals was not a problem. Frankly, I do not think the Department of Minerals and Energy should be forgoing that sort of revenue when it is not necessary.

The point made by the Minister regarding a halfway house has also been made to me but I must be difficult to convince because the argument was based on a perception of what a mining lease means. My instinctive reaction is that we must tell those people that it is a mineral deposit that may be mined either next year or in future. That is a hard fact of life. I cannot see how changing it from a mining lease to a retention lease will alter a farmer's or other owner's perception of whether the area will be mined. It should simply be called a mining lease. I do not believe in euphemisms. Perhaps perceptions of private land are different. I would be generous enough to concede that perhaps we may need to grant retention licences in the south west on private land for mineral sands, but we should

not give them a free kick with reduced rentals. Perhaps some discretion is needed in the Bill. One of the problems with retention licences is that if a fee is set, no discretion is available for rentals. Under the regulations the Minister has discretionary power to vary the rent. From a public revenue point of view that is preferable.

Hon P.R. Lightfoot: A retention licence does not go on ad infinitum; it is perhaps a five year licence. I imagine it could be for any other term.

Hon MARK NEVILL: It could be five years, or it could be for 10 years.

Hon P.R. Lightfoot: People can put an argument to the Minister and he could reject it.

Hon MARK NEVILL: We can discuss that further when we talk about security.

Hon P.R. Lightfoot: What I am saying is correct, nevertheless. The Minister will have discretion for any period.

The DEPUTY CHAIRMAN (Hon W.N. Stretch): I remind members that they have the right to speak as often and whenever they wish. Interjections should be short and to the point.

Hon MARK NEVILL: The provisions of the current Act deal with the situation better than retention licences can. Section 102 of the Mining Act provides for exemption from expenditure on exploration licences or prospecting licences for up to one year with a right to renew. For both a mining licence and a retention licence the exemption is up to five years with provision to renew. In both cases it is a ministerial decision. To support my argument that the present provisions cover this aspect adequately I move to the criteria for retention licences. I refer to the criteria for an application for a retention licence. Proposed new section 70C(2) reads -

For the purposes of subsection (1)(f)(ii) mining of an unidentified mineral resource may be impracticable because -

- (a) the identified mineral resource is uneconomic or subject to marketing problems although that resource may reasonably be expected to become economic or marketable in the future;
- (b) the identified mineral resource is required to sustain the future operations of an existing or proposed mining operation; or
- (c) there are existing political, environmental or other difficulties in obtaining requisite approvals.

Section 102(2) of the Act reads -

A certificate of exemption may be granted for any of the following reasons -

...

- (e) that the ground the subject of the mining tenement contains a mineral deposit which is uneconomic but which may reasonably be expected to become economic in the future or that at the relevant time economic or marketing problems are such as not to make the mining operations viable;

The provisions are identical. Paragraph (f) provides -

that the ground the subject of the mining tenement contains mineral ore which is required to sustain the future operations of an existing or proposed mining operation;

That paragraph is identical to proposed section 70C(2)(b) in the Bill. Section 102(2)(g) of the Act allows a person to get a certificate of exemption for the following reason -

that political, environmental or other difficulties in obtaining requisite approvals prevent mining or restrict it in a manner that is, or subject to conditions that are, for the time being impracticable;

For all intents and purposes that is identical to the third criterion for the granting of

retention licences. In Western Australia the Act places temporary reserves over iron ore deposits. Will these need to be converted to retention licences or will they remain as temporary reserves?

Hon GEORGE CASH: It is true that different perceptions are often based on the nomenclature of licences. When discussing exploration licences the perception is that exploration will occur, and when discussing mining leases the perception is that mining will occur. However, exemptions can be applied under the Act. The retention licence is clearly seen as being used to retain ground for a period, and no disputes could arise about what the nomenclature means. It might be possible to have called these "mining leases (deferred)", but that is not an apt description.

Regarding rental fees, exploration licences attract a fee of \$80, with approximately 35¢ a hectare for mining leases. It is likely that retention licences will attract a fee of \$4.75, although this has yet to be determined. It will not be necessary for the holders of temporary reserves to apply for retention licences for those tenements.

Hon MARK NEVILL: We have discussed the provisions of the principal Act where they cover the areas outlined in the Bill. We have referred to exemptions from expenditure, criteria for granting retention licences and relief from rents. I expect some people in my electorate will find these retention licences not to be as attractive as they anticipate.

Section 162 deals with regulations and indicates that the Government may make such regulations as contemplated by the Act. Subsection (2)(e) reads -

prescribe the rent payable in respect of any mining tenement or any class of mining tenement, and make provisions for the exercise of a discretion by the Minister as to the basis on which the rents shall be calculated.

That is a very important power which gives the Minister flexibility to vary rents. If someone seeks an exemption or a retention licence, he may put up a good argument, and in other cases a reduction in rent should not occur. Therefore, the power exists to provide rent relief. Also, in some cases people may be happy to pay the full rent. This is an important part of the debate. The expenditure, rent and period of licence can be exempted under the principal Act. The only argument - not a compelling one - which makes me think twice about this matter is that people who have mining leases pegged on private land may have a perception which makes things difficult for mining companies. I am not sure that the title "retention licences" will solve the problem. People must be told the facts of life at some stage, and they have a right to peg a mining lease. Whatever conditions apply to that lease must be complied with by the landholder as well as the tenement holder.

What is the basis of the need for retention licences as opposed to their merely being desirable? This is the issue on which this Bill would have been better dealt with by the Legislation Committee. It is certainly not my intention to delay this legislation. We all say offensive things in this place from time to time, but I did not appreciate that accusation.

Have any tenements containing an identifiable mineral source of substance been forfeited since the commencement of the Mining Act because it was established that the resource was uneconomic or subject to marketing problems?

Hon GEORGE CASH: I am unaware of any leases being forfeited for those reasons. However, mining companies have held mining tenements under a mining lease on which it was decided not to continue paying rent because it was decided that the mineral body was uneconomic. Clearly, a retention licence will deal with the ore body once the exploration has been completed; that is, the ore body has been identified but is not at a stage at which it is economic to mine.

Hon Mark Nevill appears to be saying that members of the mining industry have indicated they would be prepared to pay the rental set for a mining lease irrespective of whether the ore body was economic or uneconomic. That may be the case in some instances, but the mining industry in its representations to me has been very firm in its support of retention licences. That is in part because of the rental concession that is

available to them, but also because it gives them an opportunity to hold what is currently an uneconomic ore body that they do not wish to develop at this stage. It is important that members understand that, once issued, retention licences are not held at will, but for a maximum of five years. Proposed section 70M requires the holder of a retention licence to show cause why a mining lease should not be applied for. Proposed section 70M(1) provides that the Minister may at any time require the holder of a retention licence to show cause why a mining lease should not be applied for the whole or any part of the land subject of the potential licence. It also details other provisions which relate to a holder of a retention licence who fails to show cause. Although retention licences can be issued for five years they are still the subject of the provisions set out in this Bill. They will be monitored very closely and the Minister has considerable discretionary power to remove a retention licence and cause it to be created as a mining licence, or if conditions are not fulfilled, to revoke the retention licence.

Hon P.R. LIGHTFOOT: I do not want the Minister to be swayed, and I assume he will not be, by the silver tongue of Hon Mark Nevill. It would be most extraordinary if any Minister used his discretionary powers to automatically grant a five year retention. In my experience a fitting time for a retention would be for, say, two years.

Hon Mark Nevill: Why would you want to get away from a mining lease? You might be better off with a mining lease if you were going to shorten it.

Hon P.R. LIGHTFOOT: The thrust of this proposed section is specifically to counter a delineated ore body that is subeconomic. Section 102 of the Mining Act contains other grounds for exemptions that do not apply in this Bill, so the Bill is not superfluous. It does not superimpose what is existing in the Act. For instance, in the latest edition of Hunt and Lewis' *Mining Law of Western Australia* grounds for exemptions include a dispute over a title to a mining tenement, and time is required to evaluate work done to plan for future exploration or mining.

Hon Mark Nevill: That is irrelevant.

Hon P.R. LIGHTFOOT: That is what I am saying. We are specifically bringing it down to delineated ore bodies which require protection - bearing in mind that I would have some problem if the Minister were to automatically grant a five year exemption for everything that came before him. Perhaps we should look at amending that proposed section, although I will not propose that formally. I would not like to see that ministerial discretion abused in that fashion. I cannot see where it would be warranted, but there are many grounds for exemption, such as when the subject of the mining tenement contains mineral ores which are required to sustain the future operations of an existing or proposed mining operation. Section 102 refers to an exemption if the ground subject to the mining tenement contains a mineral deposit which may reasonably be expected to become economic in the future. In a circuitous way that section tightens up protection for someone who may have spent millions of dollars delineating an ore body that would otherwise be put in jeopardy by the provisions of the Mining Act that allow that mine to be "jumped", in the lingua franca of Kalgoorlie. I do not hold with anyone who jumps mineral claims because of an oversight. I ask that the Minister not be swayed by the lucid argument of Hon Mark Nevill about this. It is a specific part of a major amendment to the Act, but it is one that I believe is quite necessary.

Hon J.A. SCOTT: Proposed section 70C(2)(a) provides that a retention licence be granted if the resource may be reasonably expected to be economic or marketable in the future. How far into the future are we looking? Someone might be looking 50 years' ahead.

Hon GEORGE CASH: Proposed section 70E describes the terms of a retention licence and its renewal period. Hon Ross Lightfoot is correct in saying that a retention licence will remain in force for a period not exceeding five years; that also applies to the matter raised by Hon Jim Scott. It is true that the licence can be renewed, but that is obviously a second hurdle.

Hon MARK NEVILL: The debate has drifted away from the question I asked. I was

discussing what is the basis of lease retention licences being regarded as necessary as opposed to desirable. I ask the Minister to provide an example of real substance of an identified mineral resource that has been forfeited since the commencement of the Mining Act 1978; that is, in circumstances where the first of those three criteria applied, where the resource was uneconomic or subject to marketing problems. That is a difficult question for the Minister to answer if he has not the information with him. Can the Minister provide an example of where a mineral resource has been forfeited, where the resource was required for future operations or proposed operations, or where one has been forfeited in circumstances where it has been established that environmental problems or potential difficulties existed in obtaining approvals? This question would probably be better dealt with by a standing committee. However, can the Minister provide such examples, if any exist? I think such examples are relatively rare. If the Minister does not have any examples of forfeiture where leases have been given an exemption from expenditure for those reasons, where an identified mineral resource existed, it begs the question as to why it is necessary to introduce a retention licence.

Hon GEORGE CASH: In the end the argument will get down to a philosophical argument about whether the Government believes that retention licences are necessary, and whether Hon Mark Nevill believes they are desirable but not necessary. I do not have any specific examples where forfeiture has occurred because of any of the three areas to which Hon Mark Nevill referred.

Hon Mark Nevill: They would be rare.

Hon GEORGE CASH: Yes, they would be rare, and I do not have any examples to hand. However, that does not mean that some companies may have forgone the opportunity to hold on to particular ground in Western Australia, but decided to hand it in owing to the high cost of maintaining a mining lease. The fact that a retention licence rental will be in the order of half the rental of a mining lease is obviously an encouragement for those who believe they have a sub-economic ore body to hold on to the land, subject to conditions and work programs that will be imposed, rather than just handing in the ground and walking away.

Hon J.A. SCOTT: Will the proposed licence fee have any relationship to the cost of administering the lease?

Hon GEORGE CASH: The rental that is charged for leases is not set as a proportion or ratio of the administration costs. Rentals are reviewed from time to time, as are royalties. The administration of any department is taken into account to some effect, but no direct relationship exists between the cost of administration on the lease and the amount charged for that lease.

Hon P.R. LIGHTFOOT: I cannot see what the argument is about. If this arrangement facilitates the \$12b-odd industry in Western Australia, and if the major mining companies and their representatives such as the Association of Mining and Exploration Companies, the Amalgamated Prospectors and Leaseholders Association, or the Chamber of Mines and Energy of Western Australia are behind it, why does a problem exist? I am not suggesting that we pass it without review. For instance, a statutory obligation exists under the Mining Act to have a 50 per cent relinquishment on an exploration licence. I know from experience where some difficulty has arisen in cutting off 50 per cent. In the first place, people mark out an area because they think it has potential. Generally people do not take up moose pasture - I am speaking generically. People take up an area and are required under the Act to relinquish 50 per cent after a specified time, but difficulty always exists in relinquishing the 50 per cent owing to sub-economic ore problems, the incompleteness of surveys, and indications that a substantial ore body may exist, albeit of low grade. One must have protection under the Act. It is difficult at times to say which part of that lease will be dropped off. Does one drop off a part, knowing that it contains a low grade ore body because one is obliged to do so? The provisions of these proposed amendments could suit the area where a survey has been completed, where some drilling and other methods of delineating an ore body have been undertaken, and where that ore body is of low grade or of such significance that it could - in conjunction with a richer

grade on the area being retained - become economic in the future. Does the provision of this proposed amendment allow for the 50 per cent relinquishment, or any statutory relinquishment, being able to be taken up?

Hon GEORGE CASH: Yes, so long as the area which is applied for is able to meet the criteria set down in this Bill. In normal circumstances the area of land that is relinquished under the exploration licence has already been explored, into which moneys have already been put, and on which the company has decided it does not wish to pursue any further expansion. However, if the company were able to identify an ore body which was uneconomic and could not be mined for five years or for other reasons as are set out in the Bill, an application could be made for a retention licence. A number of hurdles must be overcome. If they are overcome, the licence can be issued.

Hon MARK NEVILL: It is difficult to imagine an identified mineral resource covering over 50 per cent of an exploration licence. Somehow that resource would have to be all sub-economic. This matter draws me into an item that I deliberately skipped earlier. If an applicant had an exploration licence and was carrying out the amount of drilling that would determine that an identified mineral resource was present, he would have expended enough money to well and truly cover converting that exploration licence to a prospecting licence, and probably to a mining lease as well. It may be an imaginary problem. However, my view is that an EL is a grass roots exploration. The applicant relinquishes 50 per cent of that after three years, increases the status of the tenement by pegging PLs over anything he wants to look at further and then, when a mineral resource has been identified, moves into an ML. I do not think retention licences should be allowed to be pegged over ELs or PLs. They should come from MLs because that is where the money has been expended. If one were spending more than the expenditure requirements more secure tenements could be pegged.

The main reason for speaking on that subject is that I believe an RL should come from an ML, and I am not enamoured with the idea that they be pegged on exploration and prospecting licences. Their coming from mining leases would suit the situation within the mineral sands industry if the retention licences were justified. I said when speaking in the debate on whether this Bill should be referred to the Standing Committee on Legislation, that my objections to the Bill were mainly practical and not philosophical, although I have one philosophical problem with it. I ask the Minister his view of the philosophy behind this provision. In my view the general philosophy of the Mining Act is to get on with mining and exploration. Within that philosophy it is acknowledged that it may be necessary from time to time to seek an exemption under section 102. The introduction of a retention licence may erode this philosophy to some extent. Philosophies or attitudes are very important and, if there is some potential for the erosion of that positive, get on with it type attitude, very careful consideration should be given to any change. This lease is a change in that fundamental philosophy of the Mining Act which is very important, especially in legislation which revolves around the first person who pegs that licence being the holder. It is very different from petroleum leases where bidding takes place.

Hon GEORGE CASH: I agree with Hon Mark Nevill's sentiments about retention licences. The Government quite clearly wants to encourage mining in Western Australia. As Hon Ross Lightfoot said earlier, it is a \$12b industry in this State from which the Government derives considerable royalties. The Government does not want the ground to be tied up or held unreasonably. Nor does it want retention licences to be used to deny other explorers the opportunity of working particular prospects in this State. That is why proposed section 70M provides that the holder of the retention licence must show cause why a mining lease should not be applied for. Stringent conditions apply, and any indication that a retention licence was being used to hold ground unreasonably and to deny other people the opportunity to explore that ground would be sufficient reason for the Minister to invoke proposed section 70M or other proposed sections within the Bill to ensure that the land were made available to some other person. Alternatively, the holder would pay the equivalent of the mining lease rental on the land.

Hon MARK NEVILL: In the second reading debate the Minister said that the

introduction of a retention licence will give improved security of title for mineral deposits which cannot be mined for the time being. I do not understand the logic of that statement and I ask the Minister to indicate how it will improve the security of title.

Hon GEORGE CASH: The nature of the statement is that unless a retention licence is available, in some cases where a company is dealing with an uneconomic ore body or one that cannot be mined for some reason - whether it be environmental, political, or something else - that could result in the company walking away from the lease completely because of the cost of maintaining the mining lease rental. There would clearly be no security of title in such a case.

Hon Mark Nevill: But you could modify the rental under the present Act.

Hon GEORGE CASH: Yes. However, the industry believes that the introduction of retention licences will impose some stringent conditions on the holding of certain ground within Western Australia, but the holding of that ground by way of a retention licence will clearly be the subject of the various provisions set out in the Bill. It is an important step for the industry. The member would be aware that other States of Australia use retention licences to provide security of title for mineral deposits. While all the questions asked are certainly relevant, I do not know whether I will be able to convince the member at this stage that retention licences are a positive step. I guess only the introduction and monitoring of retention licences over time will prove whether the member is prepared to accept them in due course.

Hon MARK NEVILL: It is questionable whether retention licences will provide added security of title for mineral deposits. It will really depend upon a number of factors. Under the current regime, objections to exemption applications are relatively rare. Can the Minister recall whether in his five months in office he has received any objections?

Hon GEORGE CASH: There may have been some objections during the period that I have been the Minister. I do not recall any off hand. They are in fact dealt with by the warden, and that is a public process.

Hon MARK NEVILL: The warden does not make the decision. He only makes a recommendation. The Minister makes the decision, so he would ultimately see those applications. Under the current Act, objections to exemption applications are rare, so there is now a fairly safe situation for someone who wants to hang on to a lease. If a tenement holder legitimately had problems of the type set out in proposed section 70C(2)(a), (b) and (c), which are the three criteria, he would have grounds to seek an exemption under section 102. Although the holder of a retention licence will have priority under proposed section 70L to convert a tenement to a retention licence, it will not be automatic, and it will expose an applicant to some risk. If no such conversion were necessary, which is the case under an exemption, an applicant would not be exposed to that risk. It is a question of security.

Hon P.R. Lightfoot: Do you mean that there is a gap between when an applicant wants to convert and -

Hon MARK NEVILL: In converting a mining lease to a retention licence, an applicant would be exposed to some risk, whereas if he kept it as a mining lease and got an exemption, he would not be converting the tenement and would not be exposing himself to that risk.

Hon P.R. Lightfoot: Are you saying it reverts to Crown land for a brief period?

Hon MARK NEVILL: No.

Hon P.R. Lightfoot: I cannot see the risk. Where is the risk?

Hon MARK NEVILL: In objections. There is power for people to object when that process takes place.

Hon George Cash: If the retention licence fails, then clearly the mining lease will remain.

Hon MARK NEVILL: Yes, but a mining company exposes itself to risk when it converts

to a retention licence. It does not expose itself to risk when it gets an exemption, because the tenement is not changing.

Hon George Cash: It does, because clearly if the procedure for the exemption were not carried out correctly, there would be a risk.

Hon MARK NEVILL: Yes, and there is more scope for error in converting to a retention licence than there is under the exemption.

Hon George Cash: There is a risk in both cases. It is a question of degree of risk.

Hon MARK NEVILL: Exactly, but they are not as comforting as people might expect. Even if an objection under proposed section 70D to an application to convert a mining lease to a retention licence were dismissed, the objection might have caused some delay and expense to the applicant. That would not occur if the applicant sought an exemption from expenditure.

Hon George Cash: The mining lease would prevail.

Hon MARK NEVILL: Well, it does not really matter. An applicant might lose it in the objection. Even if the objection were dismissed, there would be delays and expense. I cannot understand the attraction of this tenement to some people in the mining industry. Perhaps the advice they received is not the best advice.

Will retention licences be subject to expenditure conditions? Clearly they will be under proposed section 70H(1), which states that every retention licence shall be deemed to be granted subject to the conditions that the holder of the licence shall -

- (c) comply with the programme of work (if any) approved by the Minister in respect of the land the subject of the licence.

If that were not the case - I am referring to the words "if any" - then all retention licences would be subject to expenditure conditions as a matter of course. What are the criteria for imposing or not imposing such conditions on the grant of that retention licence?

Hon GEORGE CASH: In respect of proposed section 70H, the conditions which are to be attached to retention licences will be similar to those for existing tenements. The conditions that are imposed are imposed generally by the department, having regard to the nature of the deposits and the nature of the application. That varies across the board, but there is no intention that retention licences should not have conditions similar to those imposed in respect of other tenements.

Hon MARK NEVILL: If expenditure conditions were to apply to a particular retention licence, then it should be noted by the mining company which held that licence that it would not be open to it to seek an exemption from expenditure, whereas if it kept it under the previous licence, it would be. The proposed amendment to section 102(1) inserts after "mining tenement" where it first occurs the following: "other than a retention licence". Therefore, if it were converted to a retention licence, the company would not be able to seek an exemption from the expenditure conditions. The Minister might say that is why we have stringent rules.

Hon George Cash: It is a more stringent condition.

Hon MARK NEVILL: However, a political or environmental issue might crop up after a mining company had been granted a retention licence, and the company would lose the flexibility to be able to seek an exemption, which it would not lose if it did it under the present Act with a certificate of exemption. That is important.

Hon GEORGE CASH: That is the decision of an applicant who wishes to apply for a retention licence. The provisions that will apply to retention licences will be more stringent. If an applicant wants to apply for a retention licence, he will do so under the new provisions to be imposed.

Hon MARK NEVILL: If one has converted a tenement to a retention licence, and a condition of granting that licence is that certain expenditure conditions are attached, and if something unforeseen arises which prevents that applicant from meeting that

requirement, an exemption cannot be granted. That inflexibility within the Bill is undesirable.

Hon George Cash: That is being looked into.

Hon MARK NEVILL: It may be that the applicant is in a position where he is unable to expend that money with any confidence but he will be able to mine the lease at some future date. That flexibility must be added. That is another reason for people to think twice about using retention licences.

Progress

Progress reported and leave given to sit again, pursuant to Standing Order No 61(c).

ADJOURNMENT OF THE HOUSE - ORDINARY

HON GEORGE CASH (North Metropolitan - Leader of the House) [10.55 pm]: I move -

That the House do now adjourn.

Adjournment Debate - Aboriginal Communities, Kimberley - Taxi Industry, Alcohol Delivery; Pundulmurra College Appointments

HON TOM STEPHENS (Mining and Pastoral) [10.56 pm]: A couple of concerns have been raised in representations to me by Aboriginal communities in the Kimberley. They indicated that concern is increasing about the practices developing in the Kimberley taxi industry. This industry has always had difficulties in the remote parts of the State as a result of the absence of public transport, as a considerable dependency falls on taxis to assist people with no other form of transport.

In recent times many Aboriginal communities have taken steps to remove themselves from locations with alcohol outlets. These communities remove themselves from the associated temptations for alcohol abuse for people who have difficulty coping with that substance. In recent times some taxi drivers have been increasingly determined to be part of the process of chasing those communities out into the remote areas and then delivering to the dry communities substantial quantities of alcohol. This is of great concern to the Aboriginal community councils and the wider community in the area. I use the adjournment debate to raise the matter with the Minister for Transport, who has responsibility for the taxi industry. I asked the Minister a question when he assumed responsibility for the Transport portfolio, and in his answer he outlined the areas for which he had responsibility. However, he did not mention the taxi industry.

Hon Peter Foss: It was a silly question anyway.

Hon E.J. Charlton: It is part of the Department of Transport, as I said.

Hon TOM STEPHENS: The Taxi Control Board is not part of the Department of Transport.

Hon E.J. Charlton: The Taxi Control Board is controlled by the Department of Transport.

Hon TOM STEPHENS: I did not realise that.

Hon E.J. Charlton: The Department of Transport supplies the chairman of the board.

Hon TOM STEPHENS: As the Minister for Transport controls the department, he might take the opportunity to explore whether a study can be commissioned, perhaps under the auspices of the Alcohol and Drug Authority and the Holyoake organisation, to come up with practical solutions to the problem that is developing in this area. I am sure the Minister is aware that a problem has emerged in other areas, such as around Carnarvon and Roebourne. It is not a simple matter; it is not just a matter relating to taxis. Individuals in the Aboriginal and wider communities have compounded the difficulties. However, I am sure there is a way forward. The Minister could quite usefully take the opportunity of commissioning an organisation to work in tandem with the Taxi Control Board, the Aboriginal community and the industry to see whether self-regulation can stop the arrival of alcohol in dry communities.

Hon E.J. Charlton: The Taxi Control Board does not control country taxis.

Hon TOM STEPHENS: Of course, the Minister is right. The Department of Transport has the sole responsibility in those areas. Perhaps the department will recognise that there is a substantial and growing problem in these communities. I know that approaches to the Carnarvon community have not met with cooperation by all sections of that community. The department might need to bring in outside agencies. It might usefully explore my suggestion and see what can be done using another organisation.

I also want to mention the announcement by the Minister for Education to appoint to the Pundulmurra Aboriginal College in the Pilbara people who have been described as Liberal Party hacks. I am speaking of the arrival on the board of the Pundulmurra College of people who have, in my many years experience in the region, had a very strong commitment to the advancement of the Liberal Party but have displayed no commensurate concern for the Aboriginal people. We have seen appointed to the Pundulmurra College someone from the Liberal Party ranks, Mr Greg Kneale, whose fame in the north west is that of being a Liberal Party activist for a long time. In all the time that I have been a member of Parliament for that area he has never raised with me questions of Aboriginal advancement or education and training interests.

Hon Peter Foss: Maybe he did not raise it with you.

Hon TOM STEPHENS: I am the local member.

Hon Peter Foss: You are not the only member.

Hon TOM STEPHENS: He has raised many issues with me about Liberal Party advancement, but never about the advancement of the Aboriginal people in that area.

Hon Peter Foss: There is not much point.

Hon TOM STEPHENS: I am staggered that this Minister would not only have the gall to appoint Greg Kneale to chair the first independent Aboriginal college council in this State but also has added insult to injury by appointing to the college council another Liberal Party hack - the defeated Liberal Party candidate for the Pilbara, the candidate who had the worst result for any political party in the history of that seat, having been rejected by an overwhelming majority of the population in that region.

Hon Peter Foss: That is not the basis of being appointed to councils.

Hon TOM STEPHENS: Somehow this Minister for Education has stuffed the board of the Pundulmurra Aboriginal College with Liberals. I have had to listen to the previous Opposition making absolutely fallacious claims about jobs for the boys when we were in Government. We now hear that the first appointment of the Minister for Education is to ram two Liberal Party activists in the north west onto a very significant college council which has great responsibility in the north west; that is, to get on with the employment and training opportunities of Aboriginal people in that area. He should not be providing allies to look after the preselection prospects of this Minister for Education, or whatever motive Hon Norman Moore has. The Minister should have allowed the normal processes to be completed. When I arrived in the Cabinet I had the pleasure of seeing my colleague Hon Kay Hallahan make appointments to that college council. Those appointments were agreed upon by the Cabinet.

Hon George Cash: Is that upon your arrival in the Cabinet when you were still a member of the Standing Committee on Government Agencies?

Hon TOM STEPHENS: Yes. I am glad that it took Government members 24 hours to come up with what we knew all along.

Hon Mark Nevill: The penny had a long way to drop.

Hon TOM STEPHENS: I have been drawn away from what I was saying by a red herring. It is unacceptable that this Government so early in its term would set out on such a disgusting path and appoint people whose only qualifications appear to be their Liberal Party activism. They certainly have no educational qualifications that would justify their chairing the college council or their appointment to this important

educational establishment in the north west. It is galling to see. It ill behoves the Government so early in its term to press on with this attitude of jobs for the boys and girls. I hope this Minister for Education, who has not as yet come up with any explanation of why the community of the north west should have to tolerate the appointment of these Liberal Party hacks to the board of the Pundulmurra Aboriginal College, will take note of my concerns in this regard.

Question put and passed.

House adjourned at 11.07 pm

QUESTIONS ON NOTICE

DOMESTIC VIOLENCE - SMALL SPECIALIST MOBILE TEAM, ESTABLISHMENT

126. Hon N.D. GRIFFITHS to the Minister for Transport representing the Minister for Community Development:

- (1) Will a small specialist mobile team be established and resourced to facilitate understanding and provide information to interested community groups with respect to the issue of domestic violence?
- (2) If so, when?
- (3) If so, what is the envisaged cost?
- (4) If not, why not?

Hon E.J. CHARLTON replied:

The Minister for Community Development has provided the following reply -

See answer to question 131.

DOMESTIC VIOLENCE - COORDINATED COMMUNITY BASED PROGRAM, DEVELOPMENT

131. Hon N.D. GRIFFITHS to the Minister for Transport representing the Minister for Community Development:

- (1) Will the Government develop a coordinated community based program to address domestic violence?
- (2) If so, when and at what cost?
- (3) If not, why not?

Hon E.J. CHARLTON replied:

The Minister for Community Development has provided the following reply -

(1)-(3)

The recently announced task force into families in WA will be collecting, collating and analysing all available data on a factual basis. This will cover all issues impacting on families, including domestic violence.

ENVIRONMENTAL PROTECTION AUTHORITY - STEPHENSON AND WARD INCINERATOR

Specific Substances other than Medical Waste Approval

209. Hon J.A. SCOTT to the Minister for Education representing the Minister for the Environment:

- (1) Has the Environmental Protection Authority approved the incineration of specific substances, other than those substances defined as medical waste, in the Stephenson and Ward incinerator?
- (2) If yes,
 - (a) what were the specific substances;
 - (b) for each substance, what quantities were approved for incineration; and
 - (c) for each substance, over what period was approval to incinerate that substance given?
- (3) What are all the sources of heavy metal known to the EPA to be incinerated at the Stephenson and Ward incinerator?

- (4) On what precise date did the Stephenson and Ward incinerator cease to burn PCBs?

Hon N.F. MOORE replied:

The Minister for the Environment has provided the following reply -

- (1) The Stephenson and Ward incinerator is not a "prescribed premises" as defined by the Environmental Protection Act 1986 and as such does not require a licence to operate under that Act. The Environmental Protection Authority has been informed by Stephenson and Ward that the company's incinerator only incinerates substances as defined as medical waste. The EPA is aware that this comment is on the written public record.
- (2) Not applicable.
- (3) None.
- (4) 14 November 1982 and this information was supplied to the EPA by the City of Canning.

QUESTIONS WITHOUT NOTICE

QUESTIONS - MOORE, HON NORMAN, AVAILABILITY

199. Hon GRAHAM EDWARDS to the Leader of the House:

Will Hon Norman Moore be making himself available for questions?

Hon GEORGE CASH replied:-

I understand he is attending a meeting as part of parliamentary business and I have sent a message to him that question time has begun. I hope he will be here within a few minutes.

WESTRAIL - WORKS RELOCATION PROJECT MASTER PLAN *Rolling Stock Maintenance and Servicing, Responsibility Handover*

200. Hon T.G. BUTLER to the Minister for Transport:

- (1) Is the Minister aware of the Westrail document titled "Works Relocation Project Master Plan" dated 2 July 1993 and approved by the Commissioner for Railways on 6 July 1993?
- (2) If yes, does he agree that this document represents the handover to the private sector of the responsibility for all maintenance and services of Westrail rolling stock and infrastructure?

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question.

- (1) I am now aware that Westrail has produced that document, the existence of which was not previously brought to my attention.
- (2) Responsibility for the maintenance and servicing of Westrail rolling stock will remain with Westrail.

WESTRAIL - WORKS RELOCATION PROJECT MASTER PLAN *Supply Duties Reduction*

201. Hon T.G. BUTLER to the Minister for Transport:

Westrail's works relocation master plan states that innovative work packages will be devised to source goods from the private sector for the supply of goods and services.

- (1) Does this mean that Westrail supply duties will be reduced?

- (2) If so, to what extent will they be reduced?
- (3) What will that mean in job losses to the supply branch staff?

Hon E.J. CHARLTON replied:

(1) Yes.

(2)-(3)

A workload reduction is anticipated, the extent of which will be determined by Westrail management. Reductions in inventory will occur due to the component exchange principle to be adopted.

VICKERY REPORT - FINAL REPORT

3 July, Typographical Error

202. Hon KIM CHANCE to the Minister for Education :

I refer to the Minister's statement that he received a final copy of the Vickery report two days ago.

- (1) Will the Minister confirm that 3 July on the transmittal letter attached to the report is a typographical error?
- (2) Will he categorically state that the Vickery review did not transmit its final report to the Minister until yesterday, 3 August?

Hon N.F. MOORE replied:

(1)-(2)

There is some confusion surrounding the date on the transmittal notice. When I made an explanation about it yesterday, I assumed it was a typographical error because it was presented to me as a final document yesterday, 3 August. I could not work out what was meant by my sitting on it for a month and when I saw 3 July it dawned on me, as it would most people, that that was where the idea of a month came from. I have not had a chance to find out any more about that. I can give a categorical assurance that the final report came to me yesterday from Dr Vickery. The date may have been put on an earlier draft. I understand the final part of the report was printed by State Print over eight or 10 days. When the final draft was completed it may well have been dated 3 July. The time it took from that draft stage to presentation to me of the final report could have taken that one month. The draft was made available to a range of people for final comment during the last week before its presentation to me. That could well have resulted in its being changed before I received it. I did not receive it for another week; it might have had to be reprinted. The consultation process continued until last Friday. Accusations that I was sitting on the report imply that somehow I was trying to hide it from people. The bottom line is that it was given to a range of people because I desperately wanted to know what people thought, which is quite a different attitude from that of previous Governments on these issues.

VICKERY REPORT - RECOMMENDATIONS

Implementation, Cost Neutral

203. Hon KIM CHANCE to the Minister for Education:

Will the recommendations of the Vickery report, if implemented, be cost neutral?

Hon N.F. MOORE replied:

If all the recommendations were implemented in a certain way they could cost some money. I have been advised that autonomous colleges cost more to run than technical and further education colleges. However, there is also evidence to suggest they can be run cheaper than a TAFE college. The cost will depend on how the recommendations are implemented.

Dr Vickery suggests they will be cost neutral and others say they will not. I do not know what will be the answer until the recommendations we accept are costed.

STANDING COMMITTEES - MINISTERS' APPOINTMENT

204. Hon P.H. LOCKYER to the Leader of the House:

With reference to the comments made last evening by Hon Tom Stephens about the appointment of Hon Norman Moore to the Standing Committee on Government Agencies, have any other Ministers from this House sat on a standing committee?

Hon GEORGE CASH replied:

I cannot answer for the far distant past. However, only last year Hon Tom Stephens, while a Minister of the Crown, was also a member of the Standing Committee on Government Agencies.

Hon Tom Stephens: I was a member of the committee and made a Minister; not a Minister made a member of a committee.

Hon GEORGE CASH: I refer to yesterday's *Hansard*.

Several members interjected.

The DEPUTY PRESIDENT: Order!

Hon GEORGE CASH: Members will recognise the speech Hon Tom Stephens made yesterday.

Withdrawal of Remark

Hon DOUG WENN: I ask that the remark made by Hon Phil Lockyer that the member is a thief and a liar be withdrawn.

The DEPUTY PRESIDENT: I must admit I heard no such remark; there were many interjections.

Hon P.H. LOCKYER: I did make that remark and I withdraw it.

Questions without Notice Resumed

Hon GEORGE CASH: Yesterday this House watched a performance from Hon Tom Stephens that would have been befitting in *Phantom of the Opera*. He told this House in no uncertain terms -

Point of Order

Hon T.G. BUTLER: The question has been answered. Can we proceed with questions?

The DEPUTY PRESIDENT (Hon Barry House): The answer given is entirely up to the Minister and apparently he is not finished.

Questions without Notice Resumed

Hon GEORGE CASH: I will be as brief as I can. However, I do not want the opportunity to pass until this House recognises that less than 24 hours ago, Hon Tom Stephens was on his feet screaming the place down about how he did not believe a Minister should be a member of the Standing Committee on Government Agencies. However, he forgot to tell us that he was a member of that same committee when he was a Minister of the Crown. If ever we saw hypocrisy in motion it was Hon Tom Stephens yesterday. He has no credibility whatsoever when it comes to his making statements to this House.

STANDING COMMITTEES - MINISTERS' APPOINTMENT

205. Hon TOM STEPHENS to the Leader of the House:

My question is supplementary to the previous question. Is the Leader of

the House aware of a previous example of a Minister of this House serving on a standing committee while still a Minister? I complained about that last night. I was not complaining about the appointment of a serving member of the committee as a Minister of the Crown; rather, I was complaining about a Minister being -

Point of Order

Hon PETER FOSS: The member is not asking a question, he is making a statement.

The DEPUTY PRESIDENT: Order! I believe the question has been asked.

Questions without Notice Resumed

Hon GEORGE CASH replied:

Hon Tom Stephens can squeal and squirm as much as he likes. He has been shown to be a hypocrite by his own words. I said earlier that I would not go into far distant history. However, I wanted to demonstrate the hypocrisy of Hon Tom Stephens. The records of this place indicate that Ministers have been members of select committees. Whether they have been members of standing committees is something that will need further research. It is important that this House notes that, given the performance yesterday of Hon Tom Stephens.

Hon Tom Stephens: I was a Minister for only ten and a half weeks!

Hon GEORGE CASH: That is right. The member spent an awful lot of time reminding us that he was a Minister and forgot to tell us that he remained a member of that committee. If he really believed in the principles he stated yesterday, he would have resigned from that committee when he became a Minister.

STATE ENERGY COMMISSION - ASEA BROWN BOVERI

Payments, Power Station Evaluations

206. Hon J.A. SCOTT to the Minister for Mines representing the Minister for Energy:

I have given the Minister some notice of the questions.

- (1) What payments has the State Energy Commission of Western Australia made to Asea Brown Boveri for the evaluation of any power station proposal?
- (2) What legal advice have SECWA and the Government had about whether they are contractually obliged to proceed with the ABB proposal, and will the Minister table such advice?
- (3) Do SECWA's statistics show that, on the basis of cash flow, return on revenue and profitability, there are significant benefits to SECWA and thus the State in deferring the Collie power station project for up to five years?
- (4) Is the Minister aware that if the Kwinana A and C power stations were switched to burning gas, their output would increase by almost 200 MW, and is he aware that this would be significantly less polluting than coal?

Hon GEORGE CASH replied:

I thank the member for some notice of the question. The Minister for Energy has been apprised of the questions and has asked that they be placed on notice so that research can be done before he provides answers.

VICKERY REPORT - RECOMMENDATIONS
Chief Executive Officers' Views

207. Hon KIM CHANCE to the Minister for Education:

I refer to the Minister's assertion that the Vickery report's recommendations will eliminate bureaucracy and wasteful duplication and improve the coordination and management of the education and training system, and ask -

- (1) Can the Minister reconcile his views with those of his chief executives whose submissions say that some of the recommendations will lead to a blowout in the bureaucracy, greater costs, a blurring of the lines of accountability, inflexibility and industrial unrest?
- (2) Do the Minister's chief executive officers enjoy his confidence?

Hon N.F. MOORE replied:

- (2) Absolutely and totally. They enjoy my confidence and I appreciate that they were prepared to provide to me their advice on the issues raised by the Vickery inquiry.
- (1) I regret the question asked by the member because that advice was given to me in a confidential manner. Although it was my mistake that it was tabled and made public, it would have been polite had the questions not been asked publicly. I could have given the advice to the member. The bottom line is that the information provided confidentially by those officers is now public knowledge and the member has endeavoured to make a political point of it. I accept that.

The officers have made their assessments. They also made their views known to the Vickery inquiry, as did many other people in Western Australia, and the Vickery inquiry came to conclusions different from those they reached, as it came to conclusions different from the views of many people in the community. When the member reads all of the documents, as I hope he will, he will find that there is a range of views from people across the education and training system which are different from the conclusions reached by the Vickery review. That is how it should be. Everybody has a different view. The Vickery inquiry sought to bring together a range of disparate views in the community. Its members then produced a report which, in a sense, represents a consensus view about many issues. I think there is a lot of merit in many of the recommendations. However, as I have said, many people in other sections of society do not agree with certain aspects of the report. One thing the member will find when he reads the documents is that there is only one person and only one organisation that do not agree with the broad thrust of the report; that is, the Opposition's spokesperson on education and training matters and also the State School Teachers Union, but the union differs from everyone else on virtually every issue anyway. Everybody else, including the Trades and Labor Council, says that there is merit in the general thrust of the proposal. Everybody, from the Catholic Education Commission to -

Hon Kim Chance: Is it not true that you told the TLC that it could not show the draft to its affiliates?

Hon N.F. MOORE: I gave it to the peak bodies to check the final version. The member should not criticise me. I have given this report to hundreds of people for their input and Dr Vickery went to hundreds of people for their input before he wrote the report. That was very different from the decision made by the former Minister to set up the Department of Employment, Vocational Education and Training the year before last. She

decided to combine the TAFE colleges with the Department of Employment and Training and appointed a bureaucrat to put that in place. There was no consultation, no report, nothing. That decision was made without consultation and it is because of that that the Vickery inquiry was set up. She created a situation that was not workable. I have had proper and widespread consultations with the whole community, including all of the unions in Western Australia, and asked it for its views.

Hon Kim Chance: That is not true, is it Minister?

Hon N.F. MOORE: Hang on. The final document went to the TLC as the peak body. I was not going to send it to every union in Western Australia.

Hon Kim Chance: But you told the TLC that it could not discuss it with its affiliates.

Hon N.F. MOORE: If I had done as the Opposition wanted, I would have given a copy to every person in Western Australia and asked them to write me a letter. The report is now in the public domain and anybody who wants to tell me whether it is good or no good is most welcome to do so. I urge people to give me their opinions on this matter. I am not about introducing a new system in Western Australia which is not wanted by the people. Members opposite must get that through their thick skulls. I am trying to establish a system in education and training which the people want and which will work. If I receive 10 000 submissions in the next couple of months, so much the better.

VICKERY REPORT - NON-GOVERNMENT SECTOR GROWTH

208. Hon KIM CHANCE to the Minister for Education:

- (1) Does the Minister now understand page 14 of the Vickery report, which states clearly that -
 - (a) growth in the non-government sector in Western Australia has occurred more recently than in other States; and
 - (b) this growth has occurred in low resource non-government schools?
- (2) If so, does he now concede that he misled the House when he said that the Vickery report stated on pages 13 and 14 that the former Government favoured rich private schools?

Hon N.F. MOORE replied:

(1)-(2)

I understand what is written in the Vickery report with respect to the growth of the non-government sector.

Hon Kim Chance: You did not yesterday.

The DEPUTY PRESIDENT (Hon Barry House): Order! The member has asked a question and he should allow the Minister to answer it.

Hon N.F. MOORE: I said yesterday that the Vickery report made it very clear that the big losers in education in the past 10 years had been the Government sector and the big winners had been the non-government sector. I then said it was ironical, considering the nature of the Labor Party, that under its Government the really big winners were the rich private schools. They were the big winners because they probably did not need the money in the first place. Also, some poor non-government schools received more money. Members opposite tell me that the Labor Party supports the Government sector. They come into this place and into the public arena and say that they believe in looking after Government schools. However, over the past 10 years the money allocated to the non-government sector has gone up and that allocated to the Government

sector has gone down. The big winners are probably those that did not need the money at all, which is the wealthy non-government sector that also received additional money at the end of the day. The problem with members opposite is that what they do in Government is the opposite of that which they preach when they go into the community.

Hon Kim Chance interjected.

The DEPUTY PRESIDENT: Order! Having asked a question, it is appropriate for the member to allow the Minister to answer it. I draw the Minister's attention to Standing Order No 138(c), which states that replies shall be concise, relevant, and free from argument or controversial matter.

Hon N.F. MOORE: I conclude by saying that there is merit in putting extra dollars into non-government schools because that saves the State money. However, the bottom line of my answer yesterday was that the big losers under the previous Labor Government were the Government schools.

WESTRAIL - WORKS RELOCATION PROJECT MASTER PLAN
Depots, Volume of Work Advice

209. Hon T.G. BUTLER to the Minister for Transport:

I refer to the terms of appendix B of Westrail's "Works Relocation Project Master Plan" of 2 July 1993, which provides for the type of work to be now carried out at depots in both country and metropolitan areas. As local industry will be required to carry out the bulk of the work in the depots, has the Westrail supply branch been able to advise the various depots of the volume of work they can expect as distinct from the type of work they will receive?

Hon E.J. CHARLTON replied:

No.

GOLD TAX - GOVERNMENT POLICY

210. Hon P.H. LOCKYER to the Minister for Finance:

- (1) Is the Minister aware of comments attributed yesterday to a former Labor Leader of the House, Hon Joe Berinson - a view which I understand is held by many members opposite - that gold should be taxed?
- (2) Is it Government policy for gold to be taxed in this State?

Hon MAX EVANS replied:

(1)-(2)

It is not the policy of this Government to put a royalty on gold in Western Australia. We feel it would be like killing the goose that lays the golden eggs, and that it would set back development in this area. I am sure that Hon Mark Nevill agrees with me with regard to his electorate. There is so much future development in the gold industry in this State and we want to encourage it to go ahead because of the additional employment opportunities it provides and all that goes with that. To start talking about imposing a gold tax would do nothing at this stage to help the situation. Members of both parties were against the Federal Government's introducing a companies tax on profits from gold. It is important to get things up and running in Western Australia, rather than put a royalty on gold. Because the price of gold has increased in recent times, that does not mean that it will stay at that level. Hon Joe Berinson would not admit that this matter was discussed in Cabinet by the previous Government, but I have the feeling that it was.

Hon George Cash: Mr Berinson had the opportunity to do something about this for 10 years but he did not have the guts to do it.

Hon MAX EVANS: It would be a very easy way to raise an additional \$75m in revenue - which is the equivalent of 1.5 per cent of total expenditure - but we do not think it would be wise or in the interests of the State. A lot more could be done with the money to encourage those companies to get on with doing the job.

WESTRAIL - WORKS RELOCATION PROJECT MASTER PLAN
Appendix C, Equipment Cost, Private Access

211. Hon T.G. BUTLER to the Minister for Transport:

Having regard for the fact that the private sector will be required to carry out the bulk of the maintenance and service of all Westrail rolling stock and equipment in the various branches of Westrail, as detailed in appendix B of Westrail's "Works Relocation Project Master Plan"; I ask the Minister -

- (1) Will he advise the House of the cost of items to be included in the various branches of Westrail as detailed in appendix C of the said document?
- (2) Will the Minister advise the House whether the items detailed in appendix C will be for the exclusive use of Westrail, or will the private sector be permitted access to the branch depot and the new items of equipment?

Hon E.J. CHARLTON replied:

- (1) The current estimate is \$9.5m.
- (2) The equipment is being acquired for the exclusive use of Westrail. However, access by private contractors to carry out work on Westrail property will be considered.

HOSPITALS - BUNBURY
Stand-alone Day Surgery

212. Hon DOUG WENN to the Minister for Health:

Pursuant to the answer the Minister gave yesterday with regard to the construction and operation of the stand-alone day surgery in Bunbury, in which he stated that some people in the area had shown interest in taking control of it, to whom has the Minister spoken on this matter?

Hon PETER FOSS replied:

I have not spoken to anybody.

HOSPITALS - BUNBURY
Stand-alone Day Surgery

213. Hon DOUG WENN to the Minister for Health:

Perhaps the Minister's answer to my question yesterday was rather misleading when he said that people had shown interest. If the Minister is to continue down the line of private enterprise constructing and operating the stand-alone day surgery, will he give an assurance that those covered by the public health scheme will be treated equally to those covered by private health insurance?

Hon PETER FOSS replied:

I am glad to have this opportunity to give an absolute assurance. One of the problems I have with the way the Labor Party has reacted to this matter is the malicious misinformation it has circulated with regard to the intentions for Bunbury. I make it quite clear that with this facility, as with every other facility, a public hospital and public access will be in no way different from the way in which access is now had to the Bunbury

Regional Hospital. I am disappointed that various supporters and members of the Labor Party have used the opportunity -

Point of Order

Hon DOUG WENN: The Minister has gone totally away from my question. I asked whether he would guarantee that those on public health had rights equal to those with private health coverage. I did not ask for his opinion of or an attack on the Australian Labor Party.

The DEPUTY PRESIDENT: That is not a point of order, it is a point of view.

Questions without Notice Resumed

Hon PETER FOSS: It is most important that I make this point because such a question should never have been asked. I have made it clear time and time again that access will be exactly the same for private and public patients. The only source of information to the contrary has been the malicious misinformation circulated by the unions, which has been perpetuated by members of the Opposition. It is disgraceful that the Opposition has taken the opportunity to put fear into the minds of the people of Bunbury and to deceive the people about the Government's intentions, purely for its own political reasons. The Opposition does not care about the fact that it is causing fear, particularly in the minds of aged people, and in the minds of women. All it wants is to gain political advantage.

It is interesting that at the public meetings that took place in Bunbury, Hon David Smith made it clear that he agreed that co-location was the best possible option for Bunbury. His only objection was a purely ideological one to St John of God Hospital running it. Two former Ministers agree with that option: Hon Keith Wilson believes that it is entirely correct, and Hon David Smith believes that it is correct, except for his small ideological point that he does not like St John of God Hospital running it. Everyone accepts that it is perfectly feasible and the best option that one could have.

The member has my assurance that the access for public patients will in no way differ from the access they have now.
