Parliamentary Debates
(HANSARD)

THIRTY-FIFTH PARLIAMENT
THIRD SESSION
1999

LEGISLATIVE COUNCIL

Thursday, 18 November 1999

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 10.00 am, and read prayers.

FAMILY AND CHILDREN'S SERVICES

Petition

Hon J.A. Scott presented a petition, by delivery to the Clerk, from two people requesting an investigation into the administration of Family and Children's Services.

[See paper No 412.]

DERBY TIDAL POWER PROJECT

Motion

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [10.04 am]: I move -

That this House -

(1) Calls on the Environment Minister to ensure there is a thorough and immediate adjudication of the EPA's review assessment of the Derby tidal power project.

(2) Calls on the Energy Minister to -

(a) table all of the papers and documents used by the Office of Energy in its selection of the gas power projects and the demotion of tidal power to the reserve list; and

(b) outline what specific weight has been given to regional economic and infrastructure development needs in arriving at the decision to select gas.

(3) Calls on the Federal Government to allocate funds to the Derby tidal power project from the annual $66 million that is to be spent on renewable energy power supplies for remote areas.

This motion is moved in response to the vision of people of the Derby and wider west Kimberley region for a power supply generated through tidal energy. The people of the region have been captured by that vision. This issue has developed over a long time. People have recognised that the great tides of the north west, and those associated with the west Kimberley especially, provide an opportunity for power generation in enormous quantities. These tides are seen as a means of producing a cheap power source for the community of the region, and for industry to grow around that cheap energy source. For many years this concept has been simply a dream, a vision, a hope and an aspiration of the entire community with almost no detractors. The concept is to draw energy for the Derby and the rest of the west Kimberley region off the great tides of that area.

Into that equation one must add the following reality: The Government has correctly identified that the cost of diesel-generated power through Western Power's network across regional Western Australia is exorbitant. It is no longer acceptable for regional communities of this State to wear the cost of this inefficient and expensive power source. To give credit, the Government has responded to that reality by calling for expressions of interest to assess the opportunity for new power production at lower prices than those currently available through Western Power's diesel power generation in the Derby and the wider west Kimberley region. The Government, to its credit, has some runs on the board through the generation of power in regional areas from cheaper sources. I refer to the successes in building on the power generation capacity within the Lake Argyle dam hydro project. That potential capacity has been brought to reality through calling for, and successfully receiving, expressions of interest. Ord Hydro Pty Ltd, the subsidiary of Pacific Hydro, was selected for the generation of power in the east Kimberley for the communities of Kununurra, Wyndham, the Argyle diamond mine and the Lake Argyle village. The Government deserves credit for the project, which was built into the original concept for Lake Argyle. Although explored by previous conservative and Labor Governments, it was brought to reality only in recent years.

Much of the groundwork was laid when the Australian Labor Party was in office but, to give the current Minister for Energy credit, the project was brought to fruition in the life of this Government. One hoped that this development would produce some benefit to the people of the east Kimberley. Regrettably, the cheaper power source of hydro in the east Kimberley has produced no direct benefit to any of the regular consumers of power in the north east Kimberley. Regrettably, at the same time as the good initiative of the Government's hydro scheme, despite the weak protestations of the National Party in opposition to busting up the uniform tariff applied to the supply of power to large energy users, the Government has busted up that uniform tariff and created higher tariff charges for large energy users in the regional areas of the State outside the grid. That has caused enormous difficulties. Despite the claims by the Minister for Energy that he would ensure the availability to communities of cheaper energy sources, the opposite has been the case. While the energy producer has the opportunity of supplying cheaper energy to industry, no-one has been able to access it. It becomes very important then, as we debate this issue, to appreciate this backdrop to why there is apprehension about the way the issue has developed.

I am looking at a letter I received from Pacific Hydro Limited addressed to Western Power Corporation about the distribution network application of 15 June 1999 for the Ord hydro power station and the Country Club Hotel in the east Kimberley. It refers to further correspondence on 8 and 26 July. The letter reads -

> We advised in our previous correspondence, that the estimated charges are unjustifiably excessive and will preclude us from providing any meaningful open access options to local businesses. Pacific Hydro has assessed your response and, on the basis of the estimated assessment charges and the distribution access charge applicable to supplying the Country Club Hotel, we will not be proceeding with the application at this time.

That letter is signed by Graeme Fitzpatrick, operations manager, and a copy was sent to Peter Sayers, the owner and proprietor of the Country Club Hotel.

Hon Greg Smith: What is the date?

Hon TOM STEPHENS: It is dated 9 August this year.

In the face of that response, I have been pressing the Government to respond about the locations that it said would be on offer where new and cheaper energy sources would be available to communities. The Government has now hit large energy users, such as hotels, with a higher charge. We are not talking about a large, multinational company or a chain of hotels; we are talking about a local bloke in Kununurra who has slaved away at his project and been hit hard by Energy Minister Barnett's change of policy, regrettably, with the support of the coalition Government.

Yesterday, I had another opportunity to speak to Mr Sayers, whom I have known for about 20 years. He said there has been no advance on that situation and he still cannot obtain access to the contestability principle that one would have hoped would produce some benefit. The first benefit one would have thought might be available to that community is for big energy users to be able to access an energy source at a cheaper rate than Western Power's current rate as a result of the changed tariffs. That has not occurred. Western Power has effectively put a price on negotiations and the transmission of power that puts it beyond the reach of that business; as a result, Pacific Hydro has simply walked away from it. The Government deserves credit for the Ord hydro scheme but, at the same time, it did an enormous disservice to the people of regional Western Australia by busting up uniform tariffs. The Government said that it would introduce the contestability principles so that in areas where there were cheaper power sources, business and large energy users could obtain direct access to those sources without having to pay large tariffs to Western Power when they used more than 300 000 kilowatt hours a year. The Government has not been able to deliver that promise.

There is now another initiative, the Derby-west Kimberley power procurement strategy. The Government has said that it is important to keep down the cost of power generation for power supply outside the grid, a very laudable objective as Governments increasingly are moving away from subsidising the cost of power to regional Western Australia. It is important for those communities not to have to face the prospect of increasing power charges in response to increased costs of production. There should be a shift in the opposite direction. There is a legitimate demand from those communities in regional Western Australia for their power tariffs to reduce. The Government must do something about producing that result. It must find ways of producing power at reduced costs and, in turn, pass on those benefits to consumers, not only the ordinary families across the State, but also the small and large business interests and industry, especially across regional Western Australia, so that people's quality of life that comes from the reasonable use of electricity is maintained. I refer, for instance, to the use of airconditioning and other refrigeration technologies for coolrooms, fridges and freezers that are important in regional Western Australia for stockpiling regularly purchased bulk foodstuffs from cheap sources. The cost of running those items in regional Western Australia is much higher than it is for people in the Western Power grid in the rest of the State.

In addition to the ordinary families of Western Australia, small business interests are faced with higher costs that flow from being large energy users. For instance, the small general stores across this vast State, such as the general store in Onslow, are hit with huge power bills that have risen dramatically recently. The change in the tariff policy implemented by this Government as it pursues its user-pays ideology shows that it does not care about the damage it does to small business, such as the small store in Onslow, a town with very few people on high incomes but with many battlers and strugglers on low incomes. That general store, having been hit with a dramatic increase in power costs, must in turn pass on those costs to the families that rely on it. I can cite many examples. Onslow is just one that comes to mind. That situation is replicated throughout the rest of regional Western Australia. Not only are families affected but also visitors are hit with high costs associated with the purchase of goods within those communities. As a result, it becomes a disincentive for tourists and visitors to visit those localities that are important for the growth of regional development and that could provide a tourism industry upon which the community could build and create jobs for its members.

It is therefore a legitimate expectation by communities throughout the State - we are dealing now specifically with Derby - that they should have access to power at reasonable tariffs. Those tariffs, as I said earlier, are no longer reasonable. The uniform tariff particularly has been broken up as it applies to the main energy users within those communities.

The Government embarked upon a strategy for the Derby-west Kimberley region and called for expressions of interest to ascertain who might be able to supply power for the communities of that region. In the process of seeking expressions of interest through the Office of Energy, the scope of the Government's energy strategy for that region began to change. Eventually it bolted down to seeking expressions of interest in a project that would now involve the supply of power to the towns of Derby, Fitzroy Crossing and the larger town of Broome. That was the basis on which the potential energy producers were to express their interest in handling this energy procurement strategy.

Prior to the Parliament's opening on 10 August this year, the Minister for Energy, on behalf of the Government, announced at the end of that process that two proponents had been put on the preferred list and the tidal energy proponents had been left on the reserve list. The two preferred producers of power were relying on gas-fired power stations for the supply of power to those communities. The tidal energy proposal relied on the generation of power to the north of Derby in the tidal

creek system and at the same time would supplement that supply of power by free-standing power generation to the neighbouring communities to back up gas-fired power stations.

At the same time, prior to notice being given of this motion, the Environmental Protection Authority had been deliberating on the environmental impact of the tidal energy proposal for the Derby community. Subsequently, an unfavourable report was released by the authority. It was a detailed report of 45 pages, plus several appendices. The report essentially found against the project in June of 1999 when bulletin 942 was issued, which was the "Derby Tidal Power Project - Derby Hydro Power Pty Ltd: Report and Recommendations of the Environmental Protection Authority".

Until this point I had decided to let the process proceed because I thought reason would prevail and the best options for the Derby-west Kimberley community would become clear. However, with the emergence of this report I discovered that we cannot necessarily rely on the commonsense of people in assessing issues with which communities are faced. I was shocked by the public announcement of the EPA. I then rushed to read the report and its recommendations and conclusions. I examined them very carefully and for the first time ever I found the EPA's findings sadly wanting. It was my first experience of the EPA making a shockingly flawed report and recommendation to government.

I know the Derby mudflats well. I have fished there and I know the ecosystem on which construction of the Derby tidal power project is proposed. More recently, I had the opportunity of doing something a little bit foolhardy. I regularly see the mudflats from the air. Typically, a reasonable scope of them can be seen when flying in and out of Derby, albeit in a rushed fashion, in the jet aircraft that we use in our travels throughout our electorates in the north. About 12 months ago I took the opportunity of using a locally based ultralight aircraft in Derby. I was very pleased to be invited to fly on a beautiful morning before the heat set in, and flew over the tidal creeks where the project would be positioned. It is perhaps the best way to look at this tidal creek system. It is easy to see from the air exactly how the technology will be put to use. I know many of the mangrove systems of the north west. I like them; I have nothing against them. They are perfectly good systems that are very important to the environment, the ecology and the fishing industry.

Hon Greg Smith: They had trouble clearing them at Broome.

Hon TOM STEPHENS: The member makes a good point about Broome. When I first went to Broome 22 years ago, people were able to stand on the shores of Broome and see the bay. There were houses next to the bay from which one could look out and see all of Roebuck Bay. One could look down to the mudflats and see the remnants of the mangroves that had been there. This has changed quite dramatically in Broome. I discovered as time went on that those views across those mudflats were created by the existence of a big pearling industry fleet, the members of which had cut down the mangroves.

Hon Greg Smith: They chopped them down.

Hon TOM STEPHENS: Yes. Not only the pearling industry, but others who wanted to have views of the bay moved in and laid waste to those mangroves. Vast forests are now on those mangrove sites along the bay. It seems that, by and large without complaint from the community, people's views have disappeared. With so many new people in town, they just assume that that is the way it always was. However, it was not like that. All the houses had uninterrupted views of the bay. The mangrove is a hardy species.

Hon Greg Smith: It is a very aggressive species.

Hon TOM STEPHENS: It is an extremely aggressive species. It is a capable plant and a hardy environmental system. It is a solid species. It is capable of growth, regeneration and responding to changes in its environment. I have had the pleasure of walking with Hon Giz Watson and others through the mangroves in another part of Roebuck Bay.

A significant environmental impact would occur in the Derby area if the project proceeded; that is, many of the mangroves around that tidal creek system would be lost. Some of the existing mangroves would die, and we would be faced with a changed landscape in which the mangroves would start to grow in new locations on the banks of the changed landscape that would emerge around the basins of that tidal creek. From my experience and knowledge of mangroves, I have no doubt that that is exactly what they would do. In their robust way, they would quickly find a way of spreading out through those mudflats and find other ways of producing great forests of mangroves, perhaps more robust than those that are currently there. Many of the mangroves on that tidal creek system look scrappy and twiggy because the water supply in that area is tidal; it goes in and out.

Hon Greg Smith: A perfect place for a tidal power project.

Hon TOM STEPHENS: That is right. However, with a tidal power system, one would end up with water levels that would be more sustained, with a lot more sea water around the mangroves in some of the locations, which would create the capacity for larger tracts of area to be irrigated by the oceans and provide fresh opportunities for the mangroves to grow.

That tidal creek is two little fingers off King Sound. King Sound is a whopping big sound. Tidal creeks are all around it. It is not as if this creek is the only location on which one finds mangroves in King Sound. The Environmental Protection Authority's report focuses on this issue; it is preoccupied with it. It was not the only issue the authority tackled in its report, but it was, nonetheless, a substantial issue for it. I understand the importance of mangroves for recreational use; I know how important the fishing industry and the fish stocks are for the people of those communities. The people of Derby also know how important mangroves are and how important fishing is to their lives and lifestyle, and to the opportunities for industry. They know how important mangroves potentially are for the pearling industry, which has increased enormously in value over the years. I do not think there would be anybody left in the communities of the north west who would willy-nilly want to make changes to the environment of their communities which would adversely impact upon it in any way. People want

changes that will produce benefits at minimal risk to their communities. People in the north are no longer environmental vandals. By and large, there is a strong sensitivity to the environment in the north west that makes people conscious of the ecosystem. It is increasingly becoming a responsible green community in the face of these issues to which we have all become exposed as the debates have raged around the globe.

I had the opportunity to have an informal discussion with EPA personnel, followed by a formal briefing with them. I put on record that I was horrified by those meetings. I will not name the individuals concerned. However, the behaviour was nothing short of disgraceful and irrational.

Hon M.D. Nixon: Are these the same people who say the karri will not grow again?

Hon TOM STEPHENS: The EPA has done itself an enormous disservice in the way it has considered this issue. I am a defender of rational, sensible environmental debates. When an organisation like the EPA produces such a disgraceful document, whose arguments cannot be sustained in the face of rational analysis or a knowledge of the circumstances in Derby, it leaves me aghast. I have never previously carried out a critique of the EPA. However, one is left with no alternative when documents such as this are produced and discussions like those I had with a couple of officers take place. I have a lot of respect for Dr Bernard Bowen. He is a solid public servant. However, I fundamentally disagree with him on this issue. More importantly, some people around him deserve a rap on the knuckles for what they have produced in this report. They have failed the community of Western Australia, the people of the Derby-west Kimberley region and environmentalists like me who want to see a strong environmental arbiter that can be respected.

Hon Greg Smith: It is not an objective report.

Hon TOM STEPHENS: No, it is not. There is no way that one can look at this report and defend it. I have only dealt with the issue of mangroves. However, it is not just simply the issue of mangroves. I could go into a detailed assessment of all the areas that are canvassed. Essentially it boils down to three areas. I do not accept the preoccupation of the EPA with the landscape in that area, which it believes is so special that it must be treated in this way in its report, which finds against proceeding with the project. I do not accept that finding; it is wrong.

In response to these realities, I was therefore pleased that the Labor Party agreed with my proposal to move in the Parliament to call upon the Minister for the Environment to bring about a speedy adjudication of this report. The report was released in June. The Opposition was still calling for the speedy adjudication of the issue in August. I regret it was not a speedy adjudication. Eventually the adjudication process found against the environmental report. I give the Minister for the Environment credit for subjecting the report to the analysis it deserved. The report was eventually discredited by the findings against it through the adjudication.

I was fascinated by the debate in the wider community and comments made by people such as Professor Newman and others who involved themselves in the public debate in the lead-up to the adjudication. I watched as it played itself out in the Press. I read a letter to the editor of *The West Australian* signed by E. Winship of East Perth into the *Hansard*. It was published on Tuesday, 12 October under the heading "Tidal project is not irresponsible". I quote -

> I am a professional engineer formally associated with the Derby tidal energy project and I repudiate and rebuke Dr Sue Graham-Taylor for her assertion "that it would be irresponsible to implement the project".

Dr Sue Graham-Taylor's letter was published on 4 October. I remember reading it and being driven to the view that the letter deserved to be repudiated. I quote again -

> It is only her "sour grapes" response that is irresponsible, given her own failure to accept the supportive findings for the project by the environmental umpire who decreed any environmental concerns to be minor and manageable when balanced against the overall positive attributes of the project.
>
> The biased comment mirrors a self-opinionated minority of our society who are blinkered bigots, of similar ilk to those who throughout the ages fervently opposed innovative changes that would benefit mankind. Mangroves have a higher priority for the WA Conservation Council rather than the increased humanitarian benefits to be gained from this project and it conveniently ignored the overwhelming endorsement of the project by the West Kimberley communities.
>
> The council has scant regard for the fact that the local Aboriginal communities would be given the opportunity to manage and operate secondary "spin-off" commercial ventures thereby increasing their pride and self-esteem through an indirect involvement in a unique, high-tech, innovative continuous tidal generation project.
>
> Dr Sue Graham-Taylor's technical appraisal of the project is reminiscent of the "sorcerer's apprentice" - a little knowledge is a dangerous thing.
>
> It is hypocritical to dismiss a saving of 210,000 tonnes of carbon dioxide a year as minuscule if this same minuscule material assists Western Power to meet the Federal Government's greenhouse gas reduction target. Will the Conservation Council give unequivocal support for the installation of a big number of wind-generation farms that are necessary to give an equivalent saving?

The letter canvasses the point that the project would make a significant impact on the environment and the ecosystem. The proponent's submissions - which the umpire eventually upheld - stated that the environment could be managed without untoward damage to the ecosystem. It also stated that the project would produce an overall benefit to the environment. The environmental umpire found that that made the project a goer. Instead of belching the large quantities of carbon dioxide

pollutants into the atmosphere from diesel-powered generation sources that are part and parcel of diesel generators, a clean alternative is available through the tidal power project.

This debate has continued to rage. Cabinet recently went to Derby and the community demonstrated on the issue for the second time. The west Kimberley region has been littered with signs on houses and cars expressing the support of Broome and Derby residents for the tidal power project. As the ministers got off the plane in Broome they were confronted with a large sign standing at the T-junction of the Broome communities expressing support for the tidal power project. When the ministers went to Derby, they saw signs on the streets, gates, homes and fences expressing the community's support for the project. I have never seen anything like it. The Derby community has petitioned this House. The petition was presented by a government member who appears to have made little impact on his Government in making the local community's views understood. A large demonstration was held in Derby in the lead-up to the umpire's decision over the Environmental Protection Authority report. It was attended by 1 000 people and I walked with them through the streets in support of the project. During the cabinet meeting in Derby a smaller gathering of people expressed their support for the project.

The Government fudged the issue when it was in Derby. It played a little pea and thimble trick on the community. The Government announced it had received a letter from the Prime Minister in response to a previous, clandestine letter written by Hon Hendy Cowan on 29 September when he was Acting Premier. Apparently he wrote to the Federal Government about the tidal power project without the Minister for Energy's knowledge. Eventually the Minister for Energy learnt about the letter and waited, I presume with bated breath, for the letter to surface and the response to emerge. The Premier, to his shame, suggested to the Derby community and the media that the Prime Minister's response was unfavourable and that only $1m would be available for the project. The Prime Minister's letter has since been made available to the public. It was not made available at the time of the cabinet meeting. It was tabled in the Parliament when the Opposition sought it from the Government. The Prime Minister's response was that -

> I am pleased to confirm that the Commonwealth has already offered to provide the Derby project with $1 million from the Renewable Energy Assistance Programme.

That money was allocated for the development phase of the project. During the visit to Derby, the Premier and the Minister for Energy construed that to mean that the Federal Government was offering only $1m and that it was the end of the offer. However, when the rest of the letter is read it becomes clear that the Commonwealth meant no such thing but was simply recording that $1m was available for the early phase of developing the project. The Prime Minister went on to say in the letter -

> The Commonwealth would also be willing to consider further modest funding for the project under the "measures for a better environment" initiative announced as part of *A New Tax System.*

Although he used the word "modest", we do not know what the Federal Government means by it. What the State Government might consider modest funding might be different from what the Prime Minister believes. The Federal Government is faced with budgets of a different order; it has different environmental concerns, international obligations and political considerations. A federal marginal Liberal Party-held seat is in the balance. The Prime Minister's reference to "modest" might be altogether a different question. One would have hoped that this letter would produce a flurry of activity on the part of the State Government when it recognised an opportunity; that is, we know that under the new tax system there are initiatives for measures to provide for a better environment, and funds are available for those initiatives. We know that the parameters by which projects can attract funds are yet to be determined. Instead of the State Government rapidly grabbing the ball and going back to the Federal Government for intensive discussions to shape the policy directions for those funds, to ensure there is some prospect of funds coming to Western Australia through this scheme, the Government appears to be in paralysis, perhaps deliberately. The State Government's inaction will ensure the Derby tidal power project has no prospect of moving forward as a serious contender for the supply of power to the Derby and West Kimberley region of this State. If that is the final outcome, it will be a tragedy. The Prime Minister said in his letter -

> However, I am unable to confirm that funding will be available at this stage as details for these initiatives are yet to be finalised and the Derby project would need to be assessed against other competing projects.

He points out that the proposed upfront payment of $120m would represent a significant component of the available commonwealth program, with implications for the Federal Government's ability to fund other projects around Australia. The Prime Minister's letter was copied to the federal Minister for the Environment and Heritage, the Minister for Industry, Science and Resources and the Commonwealth's Strategic Investment Coordinator. There could not be a better invitation or hint from the Commonwealth Government that there might be opportunities, and that now is the time to shape those programs and the policy parameters under which they will operate, to see whether Western Australia can get a guernsey. Western Australia does not often get that from this coalition Government. The Federal Government has indicated that the policy is not finalised but that if Western Australia wants funds, it must do some homework because there will be other competing projects from around Australia.

Instead of responding to that invitation in black and white from the Prime Minister, dated 24 October, the minister representing the Minister for Energy in this place has indicated by answers given in this House that he will do no such thing because it would give an unfair advantage to the tidal energy proponents for this project. What a disgraceful answer. The tidal energy proponents and the gas energy people are not in competition for these funds. Only the tidal energy project is seeking these funds. If the State Government were successful in collaborating with the tidal energy proponents and obtaining commonwealth funds for this project, those funds would have to be spent somewhere around the country. There would then be an opportunity in this State for the gas powered project and the tidal energy project to be considered on their final merits. It is not unfair for the State Government to embark on discussions with the Federal Government about shaping the policies

for the allocation of these funds. The State Government is sitting on its hands; the Minister for Energy is obviously totally blinkered with regard to the energy needs of this community.

In comparison, a federal parliamentary committee, chaired by a government member, has been in Derby this week dealing with issues of regional development. The committee has been taken around this project by the community, and has learned how important it is to the regional development considerations of that local community. That community recognises that this project is not simply about energy; it is an important trigger for the ongoing economic development of the whole region - for the prospects, security and livelihood of the people in that town and the wider region. They are putting their viewpoint to those who will listen, in this case it is a federal parliamentary committee. I understand another federal committee will be in Perth tomorrow, again hearing submissions from the tidal energy proponents about the relevance of this project to the national competition policy. A former member of this place, Hon Ross Lightfoot, is a member of that committee. It is clear that the federal coalition Government, from the Prime Minister down to the deputy chairman of that federal parliamentary committee, Senator Ross Lightfoot, is listening to the Derby people. At least those federal members are willing to listen and are able to respond positively to the needs of this community. This State Government has a different style, which is captured by the Minister for Energy who is moving in the wrong direction altogether.

I call upon the Government to change gear. It should get its act together, start pursuing these federal funding opportunities that are available to Western Australia, and work in collaboration with the people in Derby-West Kimberley, including the shire council, the Kimberley Development Commission and the tidal energy proponents who are trying to make a contribution to this community. The Government should not bury its head in the dry sand of Western Australia forever. It has an obligation to do better than that for the community.

The Government should also recognise the opportunities available. Previously the scope of the project required the proposals to come forward for the entire Derby-West Kimberley region. As a result, the tidal power option meant a large injection of commonwealth funds was essential for the success of this project. The Government should start thinking laterally. Why require all the communities of the Derby-West Kimberley region to be part of the tidal energy project? The Government could display more flexibility; it may be that the township of Broome could be removed from this project and the Government could assess whether a gas fired power station might be the best economic option for Broome. That would reduce the federal funding required to progress the project. The Government could develop the option of tidal energy for Derby, Fitzroy Crossing, mine sites, communities, and the Curtin air base which lie between Derby and the hinterland. That would save about $10m on the project and reduce the amount of federal funding required. It might be a viable option. I would prefer the whole package to be covered, with Broome included, but if that cannot happen because the State cannot get the full $120m from the Federal Government, it would be better to have some tidal power project working for most of the region in the north, than none at all. There is too much to be gained and so much to lose by the current inaction of the Minister for Energy. There is a realistic prospect of linking up the West and East Kimberley with a grand reticulation of power through the region, so that over time it will rely almost entirely upon the generation of green energy and power. Over time that is a realistic prospect. When one integrates solar-powered systems and other alternatives, one has a region which in my view can be free of diesel-powered energy generation.

Debate adjourned, pursuant to standing orders.

COMMITTEE REPORTS - CONSIDERATION

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair.

Standing Committee on Legislation - Forensic Procedures and DNA Profiling: The Committee's Investigations in Western Australia, Victoria, South Australia, the United Kingdom, Germany and the United States of America

Resumed from 11 November on the following motion moved by Hon Bruce Donaldson -

That the report be noted.

Hon HELEN HODGSON: I do not intend to speak extensively on this issue as I was not a member of the committee. However, I had the advantage of being a member of the first Legislation Committee which looked at DNA testing, in the context of legislation before the Chamber at the time. I have looked through this report with some interest and a number of the issues raised in that initial inquiry have been picked up and followed through to a much greater degree in this report and to that extent I congratulate the committee. However, there are still some issues which need further teasing out if legislation for the establishment of a DNA database comes before this Chamber.

Members can see that particularly when they look at the minority report signed by Hon Giz Watson because it raises a couple of issues of significance about the protection of the rights of people from whom samples may be taken and placed on this database. I note that recommendation 5b indicates that the whole committee agreed that we must protect the civil liberties and the right to privacy of members of the public with respect to the establishment, maintenance and use of a DNA database. Generally throughout Australia we are lagging behind in our use of this technology. As the technology is developed people become keen to use it in a constructive sense to facilitate the clear-up rate of crime. Unfortunately the debate about some of the privacy issues does not keep pace with the technology. We must be conscious of that matter. We need to ensure that adequate safeguards are built in so that the information stored on the database is not misused. There is the simple matter of the potential to use DNA samples and information for insurance contracts to establish whether a person has a susceptibility to a certain disease, in which case he may not be able to get insurance and may be required to disclose that susceptibility. On the surface that is a completely different issue because we are talking about insurance law as opposed to the criminal

issues which the database is meant to address. However, the point I am making is that the privacy issue needs to be taken care of to ensure that this sort of information is not made available either inadvertently or through tampering which might lead to these issues creating problems.

The next point I raise is the type of offences for which one should be able to take compulsory DNA samples. Throughout the report the majority of the committee seems to have agreed that an indictable offence is sufficient. This is a matter which exercised my mind extensively during the recent debate on the sentencing laws because many indictable offences carry low penalties and are not particularly serious in themselves; much depends on how they are tried and dealt with, and the seriousness is not always reflected in whether the offence is indictable. In that context, Hon Giz Watson believed we should be looking at serious offences which she took out of the 1999 model Bill. I agree that something needs to be a significant offence before we impose the compulsory DNA testing which may arise in this matter. I also note that when we discussed this in the context of the Sentencing Act the solution we reached was a crime which is tried on indictment. We found that that ensured we were dealing with fairly serious offences before a person was caught in the net and it picked up the fact that an indictable offence can be a minor sort of offence.

There is also the issue of intimate, non-intimate, invasive, intrusive or non-invasive testing - all of those questions about how one defines the sort of testing undertaken. I was present when Hon Bruce Donaldson had a buccal swab taken. Given that he was cooperative, I agree that it was a fairly non-invasive procedure. However, I can see that if a person were resisting an attempt to have a buccal swab taken, the testing could result in harm to the person himself or the police officer trying to restrain the person.

Hon Peter Foss: It is the same with fingerprints.

Hon HELEN HODGSON: It is possibly the same with fingerprints, but I would not want anyone's fingers to get too close to my braces at the moment - they could be in serious danger. It is a question of ensuring that that dividing line is properly addressed when the legislation comes forward. Although something may not be a particularly intimate test, if a person does not want to have a sample taken it can lead to a few practical issues. For that reason I disagree with the recommendation which says people should not have the opportunity to contact their legal adviser. Often, if a person is told by his legal adviser, "Look, it is in the law; you must submit. If you do it peacefully, you will get into less trouble", something as simple as that can defuse a situation. For that reason, it is advisable to ensure that people are advised of their rights before they submit to the procedure.

Hon B.K. Donaldson: We have stated that in the report. It needs to be informed consent.

Hon HELEN HODGSON: The issue of informed consent should deal with that, but in the process of obtaining that informed consent it may be appropriate to allow a person to contact his legal adviser rather than him simply being informed by a police officer. After an arrest when a person is trying to take a sample, one might not trust the information one is being given. The role of the legal adviser could be relevant there.

Another issue which is addressed in the minority report of Hon Giz Watson is that of orders from magistrates and justices of the peace. I note the question of the training and the ability of justices of the peace and whether it is appropriate for JPs to be involved in this procedure. I do not mean to detract in any way from the excellent work done by many JPs in our remote areas where they are the only form of quick access to justice. However, I think if justices of the peace are to be given these powers, there needs to be some training on the limits and the situations in which it is appropriate. There are situations in which justices of the peace may not be as impartial as a magistrate could be simply because of the circumstances in which they find themselves. I gather that Hon Derrick Tomlinson may be a JP.

Hon Derrick Tomlinson: No, deliberately not because I cannot be impartial.

Hon HELEN HODGSON: Although JPs have a very important role in the immediate administration of justice, the very fact that they are out of the mainstream to some extent carries its own set of dangers, particularly when they are dealing with the possible collection of intimate forensic samples. For those reasons, if we are to involve JPs, we must look closely at ensuring that they have the appropriate training and understanding of the issues involved.

The committee has conducted quite an extensive inquiry. I congratulate its members for following up on the issues raised in the earlier inquiry. I note there are still unanswered questions, as indicated by the fact the report was not unanimous and Hon Giz Watson had some queries about some of the recommendations. I will look at those issues closely if such legislation comes before this Chamber. However, I congratulate the committee on the work it has done.

Hon PETER FOSS: I feel at least some initial responsibility for this report because it was a motion of mine in this Chamber that the committee continue to consider the area of DNA testing. Not only is this report excellent but it really illustrates the true worth of the Standing Committee on Legislation. I have been involved in the consideration of this issue in two forums, the other being the Standing Committee of Attorneys General. That committee has had some advice from the Model Criminal Code Officers Committee and also people from other areas who have been providing it with advice. It is quite interesting to note the difference in the advice one gets from an officers committee and a committee of members of Parliament. The really good thing about having a committee of members of Parliament dealing with an issue such as this is that one gets a cross-section of the views of the public; that is, the views which are politically important. It is all too easy for a committee which does not have any contact with the public in the way that members of Parliament do, to end up with all sorts of weird processes, procedures, fine points, hair splitting and so forth, without getting to the guts of how people feel about it.

The committee did very good research but in the end it had to make a political judgment, which I think the committee did.

It came down on issues such as intimate and non-intimate procedures. That really is a matter which will not be decided by officers' committees or lawyers but by members of Parliament. It is probably a good idea to ask members of Parliament first before putting in the rather elaborate procedures and distinctions that seem to be concocted by the officers' committee, which I have seen coming through the Standing Committee of Attorneys General. Last week I attended a meeting of the Standing Committee of Attorneys General. I did not take all of the reports with me because I would have gone over the weight allowance. However, I promised all of the attorneys present that I would forward them a copy of the report because it has been the most useful and plain commonsense approach that I have seen in the entire readings I have had on the whole process. I am confident that if everybody I send the report to reads it, it will have a distinct influence on how the matter is dealt with by Governments around Australia. I too congratulate the Standing Committee on Legislation.

Another thing one detects from reading the report is that the subject has been very thoroughly researched. The committee recognised that until it looked at the issues, it could not make a political judgment. The first thing to do was to find out what issues arise and what is the truth about the procedures, what can be done, how valuable the testing is, what has been done elsewhere and what have been the problems and the things that have exercised people's minds politically over this. The committee certainly dug deep into those matters. Hon Helen Hodgson says that the committee members have not solved all the problems. I think they have certainly addressed all of the problems. They have put us in a position where, generally speaking, we have the material by which we can make our own decisions as members of Parliament. It will probably count as one of the most thoroughly researched papers that I have seen come back from the committee. Certainly on a legal issue, it would be one of the most thoroughly researched reports that I have seen come back. From that point of view it is immeasurably valuable.

Some people have raised some real cautions, but some give me the feeling that they are rather like the man with the red flag who walked in front of early motor vehicles. There is a tendency by members of Parliament occasionally when new technology comes along to err on the side of safety. We must be very careful that we do not end up with somebody walking in front of DNA testing carrying a red flag. Future generations would laugh at us and some of our precautions. If I may take the example of whether a buccal swab is intimate: If a person cooperates, it is not intimate; if a person does not cooperate, it may lead to contact which one would regard as not being usual. That applies to so many things.

Hon Ray Halligan: Like taking someone into custody.

Hon PETER FOSS: Yes. If an officer says to someone that he is under arrest, that is fine. If an officer wants to take someone's finger prints and the person simply puts his hand over and the officer takes a finger print, that is fine. There are examples in prisons where a prisoner is asked to please come out of his cell. If he comes out of his cell, that is fine; if he does not come out of his cell, officers perform what is called a cell extraction, which are nice words which mean that a large number of people go into the cell and say to the person, "You are coming with us."

Hon W.N. Stretch: It sounds like DNA.

Hon PETER FOSS: It does. Some very intimate parts of the person may be grabbed during the course of that procedure, and it can be very nasty. Buccal swabs as such are not intimate. It may well be that if a person resists a buccal swab, the method by which one gains it could end up with some intimate parts being touched, but that is not essential to the process of taking a buccal swab. We must make the distinction of a person who can be legally required to do something which one would not regard as being intimate, who can turn it into something intimate by the way he or she behaves. An example is ejecting someone from a bus. It is quite reasonable for a bus driver who has a person on the bus who is kicking up a fuss to remove that person from the bus. In the course of trying to do so the bus driver may have to seize him by the scruff of the neck and the seat of his trousers and throw him off. That could become intimate in that sense but one would not regard asking someone to leave the bus and having the right to tell that person to leave the bus if he misbehaves as an intimate process. We must make the distinction between the process when the person observes the law and when he does not. If a person is required to give a buccal swab, the giving of the sample of itself is not intimate. There is no way a person could take a pubic hair without it being intimate, whether the donor cooperates or not. One could probably take a swab from other apertures which under no circumstances could be considered other than intimate. The buccal swab has been appropriately identified as not being an intimate process.

Another very important question is how widely should the taking of DNA samples be allowed. That is really the red flag in front of the motor vehicle. The suggestion that one should not take a DNA sample unless an offence is to be tried on indictment is really going too far. Anyone who has been jailed should be required to give a DNA sample. If the court deems that a person's behaviour is such that he should be sent to jail, it is appropriate that that information go on the database. I caution members against putting the red flag in front of the motor vehicle. We will be seen by future generations as being sweet and coy about something that is straightforward. Of course, it can be abused, as can anything. We are talking about the proper use of this technology. We must ensure that measures are put in place so that once a sample is taken it is dealt with appropriately. That is the most important process: The appropriate guarding of the sample rather than the taking of it in the first place. It will be interesting to see how the debate progresses.

I congratulate all members of the committee for a very thorough and helpful report. It will have a great influence on thinking in this area across Australia. I suspect that in time, if we put the process in place and get valuable use of it, we may well give a lead to other nations. I congratulate the committee.

Hon W.N. STRETCH: I thank the Attorney General for his complimentary remarks on the report. They were very gracious and, with all due modesty, they reflect the hard work that went into it. I single out our research officer, Mia Betjeman, for her work. If it had not been for the rigorous culling by the chairman and others, the report would have been three times as

thick as it is. The amount of research work she did was staggering. It was an issue of deciding what to leave out rather than what to include.

The use of DNA analysis for forensic investigation is an exciting new weapon in the fight against crime. For Western Australia it is new technology and, as with any new technology, different factors must be taken into account. One of the major issues of concern for the committee was the cost. I bear in mind the words of the Chairman of the British Aircraft Corporation, which built the Concorde. As he launched it, he asked the audience to admire the aircraft. He pointed out that it is a fast, sleek and beautiful bird, and, like all fast, sleek and beautiful birds, it can be very expensive. We have before us a new technology. It is fast and it is slick, if not sleek. I will not say it is beautiful - it is very basic - but it has the potential to be very expensive. One of the preoccupations of all committee members - being among other things taxpayers of the State - was what value for our dollar we would get from this technology. That could temper the way it is used in our crime detection efforts.

This technology is awesomely effective. It is a simple operation to obtain DNA. However, one of the important factors is the training of all police officers who will take the samples. The old saying with regard to computerisation - that it is garbage in and garbage out - applies equally to DNA technology. If there is carelessness or sloppiness in the taking of samples, particularly at crime scenes, we could end up with misleading and possibly false results. One of the most important issues will be the education of the samplers at all levels and in all locations. Members must bear in mind that some of the samples will need to be taken in far flung parts of the State in difficult climatic and travel conditions that could result in long delays in getting samples to the laboratory. The committee spent some time exploring the various methods by which this could be done.

The importance of committee travel can be underlined by the fact that much of the evidence and knowledge obtained cannot be put on email or paper. People working with this frontier technology are very wary about committing themselves to paper for legal and other reasons. It is not until members sit around, sometimes having lunch, with high-level researchers that they make qualified points which they will not put in writing but which they believe members should consider. A couple of points picked up in that way could save the State hundreds of millions of dollars in the implementation stages. We can argue that in time this technology would have come to Western Australia anyway. The difficulty is that, with the public clamour for improved crime clearance rates, we would probably have gone ahead with expensive current technology when there is new technology around the corner to which these people have informally alerted us. All that information is included in a report such as this with the suitable provisos. That could result in great benefits and savings to the State.

It is important to note that, along with the training of police officers at all levels, there must also be an acceptance by the higher echelons of the Police Service that DNA sampling is a tool. It is not a solution in itself; it is an effective tool with which we can arm our police officers to better execute their duties.

It is worth recounting what happened in the north of England. Samples were taken from a particularly nasty crime scene. The evidence was hard to get, and, to the officers' credit, they extracted it with the greatest of care. However, when it arrived at the laboratory, the outside of the sealed envelope had the names and addresses of three police officers. Of course, the detail should have identified the crime scene. Simple educational issues like that are taken for granted, but they should be clearly spelt out when new technology is put in the hands of police officers, sometimes in isolated areas where there has not been sufficient training.

Members should not get too hung up about the invasion of privacy. I am also concerned; I am a very private person. I share Hon Giz Watson's and Hon Helen Hodgson's concerns that we must carefully walk this dividing line between the rights of the individual and the rights of the community to be protected from serious criminals and the growth of bulk crimes - that is, the less serious but nevertheless very irritating crimes. There is nothing more annoying than continual burglary and minor assaults. This is where DNA detection has an enormous impact. Rather than getting too excited about the invasion of privacy, we must bear in mind that most DNA sampling will be straightforward; samples will be taken from the crime scene and matched with the blood sample.

Without wanting to start an international incident, I point out that in the United States DNA has been used very effectively to protect innocent people who were languishing in jails. In a certain State in the United States, which has a bit of a reputation for being gung-ho, by using DNA testing, the federal authority could prove that 17 people on death row in a state prison were innocent and they were released, but not without a huge furore and great protest from the state authority which believed it was right. This was a clear case of how DNA testing can be used to help people, rather than just to arrest them. In many cases we will find a very positive spin-off from this technology. We should embrace and implement it as soon as we reasonably can. It will be quite expensive, but very effective, and it will take us a long way down the track to making the citizens of Western Australia feel much safer in their homes, on the roads and in their jobs.

Hon GIZ WATSON: I will touch on a couple of other issues I raised in the minority report. The Attorney General used the analogy of a red flag being placed in front of a motor vehicle. If we extended that a little further and looked at the cost of the carnage caused by motor vehicles, perhaps having a red flag in front of cars is not a bad idea. I also want to pick up on his comments - I acknowledge his support for the work the committee has done - about whether a buccal sample is an intimate or non-intimate procedure. The committee was evenly divided on that issue. We spent hours debating it. It was not a majority decision that a buccal swab was not an intimate procedure.

I will touch on two other aspects mentioned in the minority report that I tabled in this matter; firstly, children or incapable people being required to provide a forensic sample, which was the basis of recommendations 70 and 71. The majority report states that the police officer's responsibility, being limited to a requirement, he or she must notify the relevant responsible person.

My recommendation was that a responsible person be required to be present when the sampling procedure took place. I suggest that is merely an extension of the existing principles espoused in the Young Offenders Act 1994. It should be extended to cases of taking DNA samples. That additional safeguard should be built into legislation because it is very unlikely that a minor or an incapable person would have the ability to understand the full implications of the forensic procedure. It is fair and reasonable for those people to have someone else present while the procedure is carried out. As I said, I dissented from the majority report on that issue.

I also raised the issue of who will be an authorised person for the taking of a sample, which is covered in recommendation 82 in the majority report which reads -

> . . . an "authorised person" for the conduct of a forensic procedure involving the taking of a sample by buccal swab, should include a police officer who has been trained in the relevant procedure.

The committee debated this issue at great length. For me, there was a decision to be made which would not hamper either the efficiency or the ability of police officers to take samples. I felt it was important that an authorised person did not include a police officer. In that respect, my recommendation states -

> . . . an "authorised person" not include a police officer. Where a forensic sample is being taken without consent, the person is likely to experience this as a violation of his or her personal integrity. It is appropriate for such procedures to be carried out by a suitably qualified health care professional. This limitation also serves to reduce any perception or claims of police intimidation or coercion.

That additional safeguard removes any possibility that, when such a case came to court, the police might be accused of having coerced or intimidated a person into providing that sample. Those are the main points on which I dissented from the majority report. I reiterate the point made by Hon Bill Stretch about the costs associated with this procedure. We must be aware that the cost of establishing this mechanism and going through each sampling process will be a limiting factor, and expectations should be tempered by an understanding of that cost. In fact, the cost element was another issue I raised in the minority report, in saying that, initially, the samples should be limited to serious indictable offences. In reality, when legislation is in place and we have a databank and procedures are established, those serious offences will be targeted. If we are to embark on this new area of technology and law, why not start by limiting it to serious offences? Once the community knows a little more about forensic evidence and its use, we might consider extending it into broader areas. Inevitably, we will be limited by the cost anyway. I look forward to legislation being developed and presented, and to further debates on this matter when that occurs.

Hon DERRICK TOMLINSON: In her dissenting report, Hon Giz Watson raised some very important philosophical issues. She is to be commended in the arguments she raised. They will, as Hon Helen Hodgson said in her presentation, give her some flags to follow in the debate. They highlight what might be the contentious issues. This question of only a medically qualified person being able to take tissue for DNA analysis is one where we should not be too cautious, particularly given the geography of this State. We have already made a mistake in the amendment to the Criminal Code which passed through this place recently, in insisting that a medically qualified or suitably qualified persons be the only ones authorised to take a sample of human tissue for forensic purposes. When we met with the PathCentre it was pointed out to members of the committee that the consequence of that amendment would be that phlebotomists who routinely take samples of blood for pathological analysis would be precluded from taking samples of blood for forensic purposes, because the amendment proposes that a "suitably" qualified person will become a "medically" qualified person. Although phlebotomists are trained and skilled persons - I sincerely hope so when they take blood out of my vein - they are not necessarily medically qualified persons. Yet they routinely take blood. The PathCentre pointed out that the proposed amendment would cause some problems for its program.

We can relate that to remote and rural areas, and in the meetings of the committee Hon Bill Stretch was vigorous in reminding the committee of the difficulty of accessing services, particularly services where medically qualified or suitably qualified persons are needed. If we were to restrict the taking of something as simple as a buccal swab to a suitably qualified person, and that is interpreted as a medically qualified person, where do remote areas, or rural areas as remote as Kojonup and Katanning, get such a person? Hon Bill Stretch put it to the committee that the most appropriate person might be a person with a St John Ambulance first aid certificate or the volunteer who drives the local St John ambulance. In pursuing the issue of a suitably qualified person, we must take heed of the caution offered by the Attorney General not to put a person with a red flag in front of the process.

I would also like to comment on the cost factor. We are confusing DNA profiling for criminal investigation purposes with the establishment of a database. We hear talk of a national database, and the establishment of a database in Western Australia. If we are to use a database of DNA profiles for criminal investigation purposes, the database must have a sufficiently large sample to offer statistical reliability of a match between a crime scene sample and a profile held on the database. If it does not have statistical reliability it will not be safe evidence to pursue for prosecution purposes. If we have a database, collecting a sufficient number of DNA profiles will be an expensive process.

The United Kingdom has reduced its analysis procedures to a cost of £40 per unit. If we relate that to Australian dollars, it is somewhere in the order of $180. If we multiply $180 by the number of profiles required for a DNA database, it is a very expensive project. However, the Federal Government is committed to that. That is where the major expense is in DNA profiling for criminal investigation. If a sample can be collected for $180 in Western Australia that is relatively cheap. Finding the DNA sample at a crime scene can in some circumstances be simple; in other circumstances, fortuitous. For example, finding a sample on a cool drink bottle or on a drinking glass is fortuitous. Finding a sample in a vaginal swab where there has been sexual assault is not difficult. If we have a crime scene sample and thorough investigation has

identified a suspect, and we obtain one sample from that suspect at a cost of $180 - that is a nominal cost - and one sample from the crime scene at a cost of $180, and that process might match that suspect to the offence or eliminate that suspect from the offence, the sum of $360 becomes a very cheap exercise. It is very cheap and very cost effective.

When we talk about the cost of DNA profiling for forensic purposes we need to distinguish between the notion of DNA profiling for criminal investigation, which is very, very valuable in crimes of violence, particularly violent sexual crimes, and very, very effective as an instrument of investigation at a relatively small cost, and DNA profiling for database purposes. The real cost is in establishing the database. However, once the database is established and the one-off cost has been met it will be a relatively inexpensive procedure, because the matching between a crime scene sample and the database is a simple computer exercise which can be run in milliseconds. Establishing the database will be the expensive item in this program.

Hon GIZ WATSON: I will respond to the comments by Hon Derrick Tomlinson on the issue of an authorised person and clarify that my minority recommendation does not preclude phlebotomists from being authorised persons, it just precludes police officers. I took on board that in remote areas the appropriate person to take a sample might be a nursing sister and that is why I limited my minority recommendation to exclude the involvement of police. I realise members of the committee have a difference of opinion on that issue; however, I am aware that other professionals would be able to take the sample to facilitate that process.

Hon B.K. DONALDSON: In commencing this debate I made an oversight in not referring to the minority report of Hon Giz Watson. It was not intentional and she has certainly made the point in debate since that there is a minority report. I am sure every member of the Chamber is now fully aware of her report.

Privacy and access to the database are important issues. The United Kingdom has got it pretty right, because access to identifying data is limited. Anyone who logs onto the UK system must first have the authority to do so and, secondly, the password. The authorities will know exactly who logs on. The most important safeguard for privacy is the use of bar coding. That has been a significant factor in ensuring that a person's identification is kept separate from the sample being submitted to the forensic laboratories. There is a bar code in the sample kit. That is put on the sample jar; the identifying data is kept quite separate and the sample then goes to the forensic science laboratory which has its own bar code. When the process goes through the laboratory, the technicians who work on the sample by amplifying it and so on, do not know who the sample comes from. That is important. The profile is raised and on the database of the forensic laboratory there is a crime scene profile. If there is a match - they refer to it as a hit - the laboratory notifies the police of that. That is where the process starts and the police are able to match that profile and bar coding with the identifying data. The process has enough checks and balances so that people can feel reasonably comfortable with it.

With reference to the persons authorised to take samples, apparently 95 per cent of those requested to provide a sample, do so voluntarily. In most cases, with the advanced technology, a buccal sample or swab is sufficient. It is an effective and easy way of obtaining a sample for a profile. A trained police officer should be authorised to take buccal swabs from people who agree to provide a sample. There is no point taking a blood sample, because it is not needed in this day and age with the advances of technology in forensic science.

When legislation is drafted, it should not be framed in such a way that a simple operation becomes expensive. I did not give an example of how easy it is to take a buccal swab, but certainly I did not suffer any pain when mine was taken. Mine was done with a cotton wool swab, but the new process uses compressed paper in the shape of a tooth comb. It is an efficient way of getting a good sample from which to create a profile. It has many advantages in Western Australia, because of our climate, and would allow for minimum bacterial contamination in the sample jars.

I acknowledge that some of the procedures the committee has signposted will be a matter of interesting debate when the legislation is before the House. The committee produced an extensive report which I hope has established and will leave some signposts. I know that you, Mr Chairman, like to leave signposts in reports! There are valuable signposts for consideration by those putting the Bill together in the next few months. Like my colleagues on the committee, I look forward to the debate on the legislation and the advantages that will come from the use of this technology.

It is most important that the sampling not be restricted to certain types of offences. Offences considered indictable and serious in the eyes of the law are not necessarily those to which the average person in the community is exposed. The average householder considers the act of breaking and entering their home to be a serious offence. We must make sure we do not go down the path of restricting the legislation. The obvious advantage apparent in the United Kingdom from the use of this technology is the improved clearance rate for burglary; it has increased from 14 per cent to 40 per cent over four years following the establishment of the database. We must be mindful of the public's views. They are outraged at the high level of breaking and entering and car theft. These are the people we must protect. If this science can be used to apprehend people who commit those types of offences against society, it must be given careful consideration when this legislation is before the Parliament.

I thank my colleagues on the committee for the tremendous work they put into this report. I certainly thank Mia Betjeman and Connie Fierro. Equally important are the people we had the privilege and opportunity to meet. Certainly, some of the forensic scientists could have left us completely in the dark, but they were able to talk to us in layman's terms so that we could work through these issues. That made this report possible, because it would have been hard for those of us who are not qualified in that area - with the possible exception of Hon Giz Watson - to understand the science of DNA, DNA profiling and procedures.

Question put and passed.

Joint Standing Committee on Delegated Legislation - Seventh Australasian and Pacific Conference on Delegated Legislation and Fourth Australasian and Pacific Conference on the Scrutiny of Bills

Hon RAY HALLIGAN: I move -

That the report be noted.

I was fortunate enough to travel with the Joint Standing Committee on Delegated Legislation to the Seventh Australasian and Pacific Conference on Delegated Legislation, which was run in conjunction with the Fourth Australasian and Pacific Conference on the Scrutiny of Bills. I am a great believer in the committee system and what it can provide to the Parliament.

In this instance, the committee was undertaking discussion on a very important aspect associated with legislation and that, of course, is in the form of regulations. A number of jurisdictions were represented at that conference, including all the States of Australia and New Zealand. There were members from the Organization for Economic Co-operation and Development, as well as from Samoa. Thirteen papers were presented at the conference. One in particular from the OECD related to regulatory impact analysis. The OECD report focused on the use of these RIAs as a principal tool in promoting regulatory equality, to ensure that regulation promotes the basic social welfare criterion of maximising net social benefits.

Debate adjourned, pursuant to standing orders.

Report

Resolution reported, progress reported, and the report adopted.

DISABILITY SERVICES AMENDMENT BILL 1999

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Max Evans (Minister for Finance) in charge of the Bill.

Clause 1: Short title -

Hon MAX EVANS: A number of matters were raised in the debate last night and it was not possible for me to obtain answers for all members. One concerned what information was made available to the public about how far things had gone and what had happened since the report was prepared in 1998. I will refer to the Disability Services Commission magazine *Update* of August-September 1998, volume 5, No 5. Under the heading "Agency's continuing role confirmed" it states -

> Disability Services Minister Paul Omodei announced to State Parliament in August that the DSC would continue as a separate entity.
>
> Tabling his report on the review of the Disability Services Act, Mr Omodei stated that the Commission would continue to operate under its own legislation, with a board as its governing body.

The article continues -

> A number of changes to the Act were foreshadowed by Mr Omodei (see article below.)
>
> Copies of the report can be obtained by phoning Ms Hilary Workman at the DSC on 9426 9290.

An article titled "Minor changes to Act" states -

> Planned changes to the Disability Services Act, described by the Minister as relatively minor, will include:
>
> * removal of the restriction on the DSC chairperson being appointed for more than two three-year terms and the requirement that a specified number of Board members have disability related backgrounds;
> * ensuring the DSC pursues service purchasing and outsourcing in a manner compatible with state policy;
> * retention of the Advisory Council, to be renamed the Ministerial Advisory Council for Disability Services;
> * strengthening of requirements for reporting death or injury of people in care so that they include physical, mental and sexual abuse and neglect;
> * a requirement that the DSC consult the Minister before embarking on a major initiative or a course of action likely to be of significant public or disability sector interest;
> * replacing the Equal Opportunity Commission as the body responsible for hearing service complaints, and transferring this responsibility to the Office of Health Review; and
> * clarification as to which government agencies are required to prepare disability service plans and a decentralisation of reporting requirements.

Three thousand copies of that magazine were sent out to industry groups and interested parties in August-September last year. It clearly sets out the amendments, and the report and further information on the amendments was available.

The Office of Health Review is a similar body to the Ombudsman. It is a separate body; it is not part of the Health Department. The expertise of the Office of Health Review lies primarily in dealing with complaints regarding the provision of services. Staff are recruited on the basis of skills such as conciliation, mediation and negotiation and not necessarily on the basis of knowledge of health services. This is not dissimilar to the way the Ombudsman's office works as its expertise

is in investigation of complaints rather than specific subjects. The decision to transfer the complaints and conciliation process for people with disabilities to the Office of Health Review was endorsed by the board of the Disability Services Commission in March 1998. The board comprises people who have direct and long experience with disability matters and are close to the pulse of the sector. The fact that the DSC board with all its experience has endorsed this transfer should be given very heavy weight when members consider the appropriateness of the proposed amendment. From the discussion last night, I think most members accept that. It is a difficult thing. Discriminating acts under the commonwealth's discrimination Act can still go to the Equal Opportunity Commission, but the logical place for normal complaints people may have about services is the Office of Health Review.

Some booklets were previously released describing the process of disability service complaints going to the Equal Opportunity Commission. Plenty of information is available; I presume it is available in country resource centres etc. The titles of the booklets include "Is There a Problem in Our Service?", "Help Us to Help You" and "Consumer Liaison Service". There is one about the Equal Opportunity Commission and a guide to complaints. It gives all the ways people can have their complaints looked at by the Government.

Hon Ken Travers: Are those booklets produced in audio, large print and braille versions?

Hon MAX EVANS: I will see if I can get copies for the member. These are outdated, but the member makes a good point. However, most blind disabled people have carers who can read and write and should be able to read the booklets and find out about the services on offer.

Hon KEN TRAVERS: I mentioned last night that I felt that the consultation died away in 1998. I reiterate that, although people may have been aware in a general sense a year ago of the proposed changes, many in the sector are not aware of the fact that there is a Bill in the House currently. I still believe the sector is not well informed about these changes.

Hon MAX EVANS: There was no other way to do it because of the time factor. However, the brochures said specifically that amendments would be made to the legislation. There was a time factor.

Hon Ken Travers: Why has it taken 12 months?

Hon MAX EVANS: I will not argue that at this point but I do not think the timing makes much difference. People were advised of what would happen and what amendments would be made. They could have come forward but they did not. If we had put the same thing out two or three months ago, it would not have been any different from last year.

Clause put and passed.

Clauses 2 to 13 put and passed.

Clause 14: Section 29 replaced -

Hon KEN TRAVERS: It is not my intention to oppose this clause but I have some concerns about the requirement for agencies to provide reports to the Disability Services Commission which I understand will be deleted as a result of these amendments.

It is certainly my view that we a need to ensure that we are still monitoring it. The requirement to provide a report to the DSC is to be deleted and an agency need submit only one report within the parameters of its annual report. Recently the Auditor General has identified a number of agencies which have not been aware of their reporting requirements within their annual reports and which have neglected to include a range of items. What action will ensure that, particularly with the Disability Services Commission's plans, agencies will be made aware and kept informed of their requirements and be required to report? In respect of certain publications, such as the DSC's "Plan First Progress Report 1998", is it still the intention of the DSC to continue with that sort of monitoring; and, if so, how does it intend to do it?

Hon MAX EVANS: What is it that the member wants clarified? Both types of authority report in their own way. Local governments, if they deal with disability services, must include their plan in their annual report. A public authority that has amended or prepared such a plan must make a report on the implementation of the plan to the commission within two months after the year ends.

Hon KEN TRAVERS: My two concerns are that the only method for monitoring these matters will be that they will be required to include a report in their annual report, and that recently the Auditor General pointed out that a number of agencies do not always report on the things they are required to in their annual reports. Does the Government intend to take any action to ensure, particularly with the Disability Services Commission's plans, over and above the actions normally taken by the Auditor General, that agencies are aware of the requirements to include such matters in their annual reports, and to ensure they are included in those annual reports? As I understand it, the DSC issues progress reports on the plans and their implementation. I want to know whether the DSC intends to stop doing this or whether it will continue to provide an annual report.

Hon MAX EVANS: We are trying to make local government and local authorities initiate something which has not always been done before. The commission will initiate a voluntary reporting process on the implementation of disability service plans which it expects will achieve a high degree of compliance because of the strength of past relationships with agencies. According to the 1997-98 status reports, over 95 per cent of agencies have made improvements to the level of access to their services and facilities. An important feature of the successful implementation of the disability service plan initiative has been the high level of co-operation and collaboration, with the commission providing advice, support and guidance to government and local government bodies on access improvement. The DSC is trying to move to a far more cooperative basis.

For many years the only facilities available to disabled people were the Perth City Council toilet blocks on sporting fields and the like. We have come a long way since then; we have new buildings, railway platform markers and so on. We have two ways in which the local governments can submit their annual reports, but I must say that the local government reports are not widely read. Local governments should submit their reports to the DSC for review and help as local governments sometimes need help on these matters. They will have their annual reports, which will be followed up. I would much prefer to see them do their own reports; the commission most importantly in the first place. That is what we are trying to do at the end of the day.

Hon Ken Travers: I want to see encouragement of central coordination; I do not want it to be dropped.

Hon MAX EVANS: I see it as the most important thing. The DSC will formally review all its plans next year. It has it underway now. Every local government will have different problems because of the agencies included in their boundaries. Not many agencies have a direct connection with disability services.

Clause put and passed.

Clauses 15 to 23 -

Hon KEN TRAVERS: Clauses 15 to 23 relate to changes in the methods of making complaints about the provision of services by the Equal Opportunity Commission. I have a number of questions that I want to go through one at a time. I accept that leaflets have been produced in the past providing publicity for the complaints mechanism. Everyone agrees that there is a problem with the current complaints mechanism, which is not being utilised. I do not think that changing the venue for lodging complaints will help resolve complaints. The report tabled on these issues indicated a number of concerns expressed about whether there was enough publicity within the disability sector and made available to people with disabilities about the complaints mechanism. Does the Government intend to try to ensure that people use the complaints mechanism through the Office of Health Review? Are there other procedures that the Government intends to use to encourage people to lodge complaints, as we know there are complaints which are not finding their way into the system. It is an issue that needs to be addressed.

Hon MAX EVANS: Discussions have been held with David Kerslake, head of the Office of Health Review, to establish an education program to raise awareness of the complaints mechanism. It will come with time. As parliamentarians, we are virtually social service officers ourselves. People do not know where to go. They go to an electorate office and see a member or his or her staff.

Hon Ken Travers: You have my commitment to encourage the use of the complaint mechanism - there is no problem with that!

Hon MAX EVANS: The Office of Health Review will be involved with the education program. When it is set up and understood, it will be more acceptable for people to attend that office for help in accessing services rather than visiting the Equal Opportunity Commission, which people see as dealing with discrimination. I hope that people will attend the Office of Health Review, which most people will see as a good place to go. It is an independent body like the Ombudsman; it is not even part of the Health Department. We must suck it and see whether it works. Hon Ken Travers and all members who receive requests at their office will refer matters to the Office of Health Review, and that will start the process. The magazine will contain updates and the change will be well advertised. That is about the best we can do. We will then see the outcome. The most important point is that people with complaints be satisfied.

Hon KEN TRAVERS: I refer to some comments made last night. It needs to be stressed before passing this clause that disability issues are not purely health issues. The minister fell into that trap last night by saying that the majority of issues relate to health. I expect that the majority of issues to go before this office will be accommodation and tenancy matters. I expect complaints to be made on legal questions. Cases have arisen of people being caught between the Ministry of Justice and the Disability Services Commission. Respite, recreation, education, carer, supervision, funding and equipment issues will be raised. It is incumbent on the Government to ensure that these are not seen purely as health matters.

Also, although people may see the Equal Opportunity Commission purely as an area for discrimination matters, an advantage is to be found in a one-stop agency. If people have a problem with discrimination or a lack of services, it is better for them to know that one place can deal with all issues, rather than their being pushed around. A cross-over often occurs between discrimination and the provision of services, and often the two aspects apply at the same time. It is not my intention to oppose this provision, but I see benefit in one place dealing with a range of melded issues.

Can the minister comment on the level of resources to be applied to the office to ensure it can deal with the range of issues subject to complaint? Is it intended to have specialist staff, or will matters be dealt with by general staff?

Hon MAX EVANS: As I read out earlier, the expertise of the Office of Health Review is primarily in dealing with complaints regarding breach of services. We had nine complaints over four years on disability matters, as the member cited last night. I hope that the services are going so well that not many complaints will be made. The body will be able to handle complaints whether they number 18 or 27. The Government does not intend to have queues.

I used "health" in debate last night only regarding the Office of Health Review. I understand clearly the difference between health and disability services.

Hon Ken Travers: You said last night that you thought the majority of cases were health matters.

Hon MAX EVANS: The Office of Health Review deals with health matters, and it has not received complaints relating to

those other outlined subjects before. It was established to deal with health issues. It could not handle disability services issues before as none was referred to it. The statistics to be released next year will indicate how many black, white and brindle cases go before the office, and regarding what matters. As I indicated last night, a change in name is being considered to the office of health and disability review. That will give a contact point for people who want to know what is going on.

Regarding the powers of the Office of Health Review, the transfer of the complaints for regional health review will not diminish the powers of investigation or provision for immediate action if this section of the Disability Services Act is unchanged. Under section 44, in the event of an agency under investigation failing to take remedial action, the Commissioner of Equal Opportunity or, under the amending Bill, the Director of the Office of Health Review, must give a copy of a decision and a written report to the minister, who may decide to table the report in Parliament. This will remain unchanged. Proper reporting of any inadequacies will occur.

Hon GIZ WATSON: I seek clarification and elaboration on the necessity to change from the Equal Opportunity Commission to the Office of Health Review. The explanatory note provided indicates that it is hoped to achieve a more accessible and effective complaints mechanism. Is the existing arrangement inaccessible or ineffective? I understand that the minister said last night that few complaints have been made. Is the interpretation that people do not know about the services, or do not access the services because they must attend the Equal Opportunity Commission? What is the rationale for the proposed change?

Hon MAX EVANS: I am not certain whether the member was in the Chamber when I referred to the "Commission of Equal Opportunity: Disability Services Complaints" brochure. This has been distributed widely to help people make such complaints. The Equal Opportunity Commission officers are trained, often with a legal background, to handle matters of discrimination, not matters of disability complaint - namely, those involving wheelchair basketball, toilet blocks or other such matters. The Equal Opportunity Commission is an investigative body, as is the Office of Health Review. They investigate what is going on. The Equal Opportunity Commission is not trained to handle such matters, and I do not know whether the Office of Health Review was previously available to do so. It was thought by the responsible minister and the board that we should try accessing the Office of Health Review. If more resources are needed, they will be provided. However, that appears unlikely in view of the number of complaints made in the past, but we will wait and see.

Hon KEN TRAVERS: I seek clarification. How will inconsistencies in the Health Services (Conciliation and Review) Act - namely, legislation establishing the Office of Health Review - be addressed so that all the options currently available to people through the Disability Services Act will be transferred to the Office of Health Review?

Hon MAX EVANS: I emphasised last night that people will still have the right under the commonwealth Disability Discrimination Act to go to the Equal Opportunity Commission. If discrimination problems arise with people with disabilities, they will attend that body. Most matters raised related to services available for disabled persons, and help will be provided in that regard.

Hon Ken Travers: Will the same provision of services apply under the current Act?

Hon MAX EVANS: Yes. The minister does not support a diminution of the board's powers; its powers will remain the same. The director of the Office of Health Review will provide a written report to the minister who may decide to table the report in Parliament and take action on it. I cannot see any problems with that. Equal opportunity remains and the current provisions for consumers have been strengthened; for example, an extension of the provision for complaints to include private providers.

Clauses put and passed.

Clause 24 put and passed.

Clause 25: Schedule 3 amended -

Hon NORM KELLY: This clause was referred to last night as the "Barry MacKinnon amendment". The Australian Democrats would like to hear the minister's views about the way in which reviews of the chair of the commission will be carried out. We do not object to the fact that this clause will make that chairmanship potentially open-ended on the minister's appointment of the chair. However, we want to ensure that any review of the chairperson's work is adequately referred to the relevant organisations in the disability services sector for sufficient input, apart from the ongoing informal input, on whether that person is worthy of reappointment when a chairperson's term is about to expire.

Hon MAX EVANS: There are probably a couple of hundred chairmen of government boards in this State, including about 40 or 50 hospital boards in country areas. Chairmen come from all different walks of life and vocations. I am a board member of the Lotteries Commission, the Totalisator Agency Board, the State Government Insurance Commission and the Government Employees Superannuation Board and I meet all my chairmen once a month. I understand that the Minister for Disability Services meets the chairman of the Disability Services Commission once a fortnight. The minister will therefore soon be briefed on whether the chairman is getting things done as he would expect; that is the first and important factor. As I said last night, if the board is not going well, complaints will come through to the Office of Health Review to indicate that the board is not handling complaints, which might or might not reflect on the chairman.

Hon Ken Travers: When chairmen with political pedigrees are appointed, people are often concerned about complaining about them.

The DEPUTY CHAIRMAN (Hon W.N. Stretch): Order! The member should wait until he gets the call.

Hon MAX EVANS: I will not enter into the issue of wrong appointments. Most people appointed to boards have the expertise to do the job. For instance, the TAB did not want a great number of breeders deciding the racing codes, otherwise it would get the wrong results; that was the problem previously with the TAB. We must appoint people who we believe will perform the job and then assess their performance. Members should not raise the issue of political appointments as I may give too many examples in reply. I hope we can distance ourselves from that suggestion so that we do not cease appointing people purely because they have a political background. The fact that Barry MacKinnon was a Liberal member of this Parliament is irrelevant; he was a practising public accountant, and had a child with a disability, which qualified him for the chairmanship of the Disability Services Commission. He has done a very good job. I am sorry to see politics being brought into the argument.

The minister will decide on who is to be appointed chairman. From time to time we get rid of chairmen who are not doing their job. As I said, the minister also meets monthly with the advisory council which reports directly to him and which is independent of the board. The advisory council will provide feedback to the minister if it has concerns about the operation of the DSC. Other sources of information are available to the minister about the DSC and its operations. Many other organisations might not be as well tapped into things as is this organisation. However, there are many avenues in this Bill for measuring the performance of the chairman and of his being the right man for the job. There are as many checks as there are on most boards, if not more. The minister will meet the advisory council and the staff of the board.

Hon KEN TRAVERS: I do not want my comments to be regarded as party political because, as I said last night, Barry MacKinnon is doing a good job. I would not say that everyone in the sector would agree on that point but in the main the overwhelming majority would agree. That is the reason for choosing my words carefully when I interjected; it was not to have a go personally at Barry. However, I have been involved in other areas where chairs with political pedigrees have been appointed; I am sure that would apply to either side of Parliament, whoever is in power. This is of particular concern in an area in which the Government hands out funds. If people regard the chair as being close to the minister, agencies will not lodge their complaints with the minister for fear that their funding will be cut. One of the reasons for people not complaining is the concern that what they have already will be taken away if they cause too many waves, when they clearly deserve more. There is therefore an issue with the appointment of the chairperson; there would not be a clear indication always of the sector's complaints. I do not in any way suggest that is the case with the current chair. I do not have a problem with supporting the legislation if it will enable Barry MacKinnon to remain for another term. As I said last night, there is an issue of people staying in those positions for too long. There are some special cases currently as it is a relatively new portfolio and the board is new.

The idea of having a Minister for Disability Services occurred only in the latter part of the past Labor Government. There are therefore great benefit in having it bedded down. However, there is great benefit also in having a regular turnover of people in that area as there are many good people in the community who could do the job equally well. I do not want my comments in any way interpreted as a criticism of Barry MacKinnon or the job he is doing. However, the principle of regularly turning over the chairperson and people in these positions is important. I support the points raised by Hon Norm Kelly about ensuring that a proper process be put in place to determine whether people are fulfilling their tasks properly. Regardless of the political party that is in power, if people have a political background they should not be excluded from appointment.

Hon Norm Kelly: Hon Ken Travers is lining up for the job.

Hon KEN TRAVERS: No. Hon Ray Young was appointed chairperson of the Authority for Intellectually Handicapped Persons by the then Labor Government. There is therefore two sides to that argument.

Hon Bob Thomas: By the way, I am retiring at the end of this term.

Hon KEN TRAVERS: Hon Bob Thomas will have to keep onside with his mates on this side of the Chamber because we will be making the appointments after the election.

Hon N.F. Moore: The power broker speaks again.

Hon KEN TRAVERS: It is fair to say that Paul Omodei has arranged the numbers better for Barry MacKinnon with reference to this legislation than he did in the past, as I understand it.

Hon N.F. Moore: He needs someone like you to give him some help.

The DEPUTY CHAIRMAN (Hon W.N. Stretch): I suggest we address the clause.

Hon KEN TRAVERS: This very much addresses the clause. I do not want to bring politics into the issue because they are not relevant in this case. That is why it is important to stick to the principle of regular turnover of people in these positions and of implementing an assessment mechanism, although I acknowledge that does not need to be enshrined in legislation.

Hon NORM KELLY: One of the reasons this matter seems to be like a red flashing light over the current chairman is that the clause specifically provides the exception solely for the chairperson and not for other members of the commission. Given the merits of the argument for why the present incumbent should continue as chairman, I wonder if any other members of the commission could be disadvantaged by virtue of the six-year limitation.

Hon MAX EVANS: Ian Taylor is the chairman of the Council for Disability Services. I do not know what political party he came from! He was not a political appointment.

Hon Ken Travers: He was elected by the members; not appointed by the minister, but he does a good job.

Hon MAX EVANS: Hon Ken Travers' seat comes up for review every four years. I hope he has the numbers right for that, because he will need them. Hon Norm Kelly asked a good question about whether the members of the committee will be disadvantaged by a six-year period. We are not covering the full gamut of disabilities. People are representative and they will change from time to time. I do not have an official answer, but surely maintaining turnover among the board members will provide better coverage. The chairman is a semi-executive chairman. He is not like some of the chairmen within my portfolios who sit on boards once a month. He spends a lot of close time with the minister and the chief executive officer.

As Hon Ken Travers said, it is a new portfolio. We all seem to agree that in its short history it has operated very well. The chair is the principal adviser to the minister and has a much more critical role than other board members. I adhere to the view that "if it ain't broke, don't fix it", and it is working well. I agree with a six-yearly turnover for board members in this operation, because they must all provide some representation of disabled persons and if that is varied, so much the better.

Clause put and passed.

Clauses 26 and 28 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Max Evans (Minister for Finance), and passed.

GAS CORPORATION (BUSINESS DISPOSAL) BILL 1999

Second Reading

Resumed from 17 November.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [12.45 pm]: Debate on this privatisation strategy of the Government continues for another 15 minutes before we adjourn again and return at two o'clock when presumably further contributions will be made by other members in this place.

Regrettably, it appears that this Bill will not be brought to resolution by the Government today. If it were put to a vote, which I hope it will be, today at least there would be certainty of its defeat. At this stage, the Labor Opposition has been given the pair for Hon Mark Nevill to be used to vote against the legislation. I hope that over the coming days there will be no change in that resolve.

I will provide some of the reasons for that. The Labor Opposition has a long tradition of having a connection with the needs and aspirations of the work force. The Australian Labor Party was born out of the aspirations of the workers of the Australian community. The union movement gave it birth in the struggles of the 1880s.

The PRESIDENT: Order! I assume the Leader of the Opposition will get on to the Bill in a moment and not have a discussion on the history of the Labor Party.

Hon TOM STEPHENS: No; although it is helpful, Mr President, to put these Bills in context from time to time.

The PRESIDENT: That is what I want the Leader of the Opposition to do. I want him to talk about the Bill.

Hon TOM STEPHENS: The context of this Bill is an item of legislation opposed by the work force, the people who are connected to the proposition that the utility should be sold. That opposition is expressed by that work force and, through that work force, by its union to the parliamentary Labor Party which, throughout its history, has endeavoured to reflect the aspirations of the work force.

With regard to recent fads that have taken hold, a reappraisal of those fads has occurred and, as I said to the House last night, the privatisation strategy is no longer a fad that the Labor Party wishes to entertain. We believe that the community has had enough; the strategies of privatisation have done enough damage and it is now time to tackle the core responsibilities of government. Those responsibilities involve operating utilities such as AlintaGas that are essentially a natural monopoly that should not easily end up in the hands of a private operator, to protect the broad community interests that should be served by virtue of their functioning.

Hon N.F. Moore: Why does the provision of gas have to be a natural monopoly of Government?

Hon TOM STEPHENS: Because there has been no strategy employed by government -

Hon N.F. Moore: That has nothing to do with it. I am asking you as a matter of principle.

Hon TOM STEPHENS: Because there has been no strategy employed and identified by government to deliver competition to a private operator of AlintaGas. It is the view of the Labor Party that the Government has brought forward nothing -

Hon N.F. Moore: I am not talking about this sale; I am talking about the general principle you espoused. You do not know; that is the problem.

The PRESIDENT: Order! Let us hear from the Leader of the Opposition on the Bill.

Hon TOM STEPHENS: If the Government wants to put forward a defence of its proposition, clearly it will have that opportunity today by putting forward arguments in the second reading response of the minister before we close the debate today. I welcome that opportunity.

Hon N.F. Moore: You are trying to make sure that members do not get a chance to speak.

Hon TOM STEPHENS: As I am sure the Leader of the House will be reminded by the President in double-quick time, he has the right of reply, and I encourage him to exercise that right today.

Hon N.F. Moore: Why are you seeking to ensure Hon Mark Nevill does not get a chance to speak?

The PRESIDENT: The Leader of the House will come to order! Let us get on with this debate. As has already been explained, it will be broken into a number of sections - almost series.

Hon TOM STEPHENS: In its response, the Government will have the opportunity to spell out how it believes it can create a situation of competition, when the reality with which we are faced is the sale of a utility that will effectively be an ongoing monopoly operating across the State without adequate benefits that will flow from its privatisation.

As I said, it was in this place that a question was asked of the minister now handling the Bill. On 22 October 1996, Hon John Halden asked this question of the Leader of the House representing the Premier -

> Can the Premier guarantee that Western Power and AlintaGas will not be privatised if the coalition wins the next election?

The plain response was -

> There are no plans to privatise Western Power or AlintaGas.

As I said, that was the basis upon which the coalition parties went to the people of Western Australia at the last state election. The Labor Party is of the view that there is no support for this privatisation in the community, because AlintaGas' passing from the ownership of all Western Australians to the ownership potentially of people largely outside Western Australia will produce no guaranteed results to enhance or advance the interests of the Western Australian community. We oppose the privatisation because of the market structure that will be created. We oppose it because the Government is proposing effectively to transfer what is a natural monopoly from public ownership into private hands. In so doing, the Government is compromising the alleged objective of cheaper gas prices. The gas consumers may be the chief losers in this whole process, if it goes ahead. Among the chief losers will be the residential and small business customers. Just as important are the interests of the work force associated with the AlintaGas structure. Their treatment in the handling of this proposal is a critical aspect in the consideration of this Bill. The Labor Party makes no apology for its defence of the interests of that work force, and it becomes an additional reason for our opposing this legislation.

In the debate on this matter, the Minister for Energy has made various statements about how well off the employees of AlintaGas will be following its sale and how enthusiastic he wants those employees to be about it. Dealing with superannuation benefits and entitlements, the minister said that the principle is that no-one should be worse off. Unfortunately, in reality, it appears that people who are part of that work force will be worse off. The principle is not being acted upon. These concerns have been raised with me, and in turn I am raising them in the hope that the Government will be able to provide evidence that those concerns no longer exist, or that the Government is involved in some process which will improve upon the current reality.

We have been informed that a consultant from PricewaterhouseCoopers has been engaged to model each employee's superannuation and to identify and fix the problems. That consultant is also negotiating with the Australian Taxation Office and the Government Employees Superannuation Board on the issues associated with the 1.75 per cent discount penalty, the taxation of any waiver of the 1.75 per cent and the topping up of superannuation. In the view of the Labor Opposition and the union which represents this work force, these are crucial issues that should be resolved prior to this Bill being progressed through the Parliament; yet we are advised that all of these issues remain unresolved.

As of last week, the employees' representatives had met only twice with the AlintaGas Sale Steering Committee project manager. It was only as a result of the persistence of the work force's representatives that those two meetings took place. Employee representatives had not met with any members of the ASSC. They last had negotiations with AlintaGas on these issues on 7 October 1999. This would not appear to substantiate or support the minister's claims that the sales steering committee has put a lot of resources and effort into talking to the employees and their representatives. In fact, the opposite is the case.

The minister has been constantly informed in writing of the concerns of the union and the work force it represents; yet the minister does not seem to have taken any steps to respond to those concerns and to rectify the situation. According to the Communications, Electrical and Plumbing Union, AlintaGas employees are not enthusiastic about this Bill as they, quite rightly, feel that their issues and concerns have not been properly dealt with or resolved. As I said, the minister stated on 12 October that he wanted the employees to be enthusiastic about this Bill. Small numbers of the work force have taken the opportunity to be present in the gallery today, as well as last night. Presumably, as this Bill continues to be debated and proceeds to resolution in this Parliament, that work force will make it clear to the minister that it is not enthusiastic about this Bill. Until last night, I had not had the opportunity to talk directly to the AlintaGas work force. After the House rose last night, I was pleased to speak to a number of employees about their concerns, which are very real. These people are experienced workers in this industry. They are not only able to take us through chapter and verse regarding the problems of the current administration in this area of activity but also are able to plainly spell out the problems that have been caused

in the supply and sale of gas throughout Western Australia, including metropolitan Perth and Fremantle, over recent decades. Recalling the twists and turns of history on these questions, they can relate how much damage has been done, in part by the private sector, to the infrastructure necessary to distribute gas to the homes and businesses of people in the metropolitan area. This is the private sector into whose hands this utility is about to be returned in the hope that it will produce a better result for the people of Western Australia. It did not do so in the past, as these workers can attest, and it is unlikely to do so now. For all those reasons they continue to express their opposition to this sale.

Sitting suspended from 1.00 to 2.00 pm

Hon TOM STEPHENS: The Minister for Energy has said that he wants the employees of AlintaGas to be enthusiastic about this sale. In response to the situation with which the employees have so far been faced, they have passed a unanimous vote of no confidence against both the AlintaGas negotiators and the human resources manager - the very people who have the responsibility for negotiating and reaching agreement with the employee's representatives about the issues with which the work force is faced in the preparation for this proposed sale of AlintaGas. The minister has also stated that there may be benefits for employees such as share ownership and the like, but the employees are not taking them into account. Clearly the reason that these alleged employee benefits are not being taken into account is that the minister's claim is fallacious.

Negotiations with the work force have been attempted on this issue and the response from AlintaGas to the work force representatives in a letter dated 7 October 1999 was that it should be noted that it was a matter for AlintaGas Limited and not the Gas Corporation. The minister in his comments may have been relying very heavily on the word "may" as there is no guarantee that this will occur. It is a matter for the new company as we know that would be the case. The minister, as we can all well and truly appreciate, cannot in any way predict what that company will do regarding shares for employees. Certainly the minister cannot do that except by gazing into a crystal ball, because we do not have even the legislative opportunity for the Government to sell this utility let alone give a guarantee as to the successful company's structure after purchasing AlintaGas.

There is also a question mark as to what are the other benefits the minister was referring to. It would be opportune for the Government to expand on what those benefits are. I put to the minister handling the Bill in this House that when he responds on behalf of the Minister for Energy and on behalf of the Government that he take the opportunity of detailing those alleged benefits, keeping in mind what the Government is trying to do, which is to secure the vote of one particular member on this side of the House. That member has regularly said that he supports the aspirations of the AlintaGas work force, and that his concern with the Labor Party is that it has somehow or other been too distant from those concerns of the working men and women of Western Australia. I put it to the Leader of the House that it is an absolute precondition for obtaining the support of at least that member that answers be given to the questions that I am raising. We will then see from the vote held in this place whether we have a majority voting as friends of the work force of Western Australia.

In seeking support for this Bill and to reassure employees, the minister stated that he hoped the Dampier to Bunbury natural gas pipeline experience would provide confidence and reassurance. In that case apparently people were respected and treated well, which was reflected in the fact that virtually all went across, and the minister is hoping for a repeat experience with AlintaGas employees. The minister seems to be unaware of a point of difference where there is no opportunity to make these comparisons between these two privatisation strategies, because AlintaGas has written to the union in a letter dated 7 October 1999 in relation to the Dampier-Bunbury natural gas pipeline sale and denied that there is any such precedent; indeed, AlintaGas stated in the letter that to expect a package that is the same or similar to the DBNGP sale is unreasonable. Given that comment from AlintaGas, the minister's reference to the arrangements that governed the pipeline sale are at best irrelevant and at worst misleading to the work force and the community as to the likely impact of the whole transfer package of AlintaGas to the private sector.

I have been informed by the union that a small number of AlintaGas employees want to remain in public sector employment due to their pending retirement, and one can well and truly appreciate the circumstances that those employees face. A large number of employees want access to the same options given to the pipeline sale employees; that is, to be able to take redundancy and to seek employment with the broader gas industry. The remainder, however, will want to obtain employment with any new operator if this Parliament approves the sale of AlintaGas once the issues have been negotiated and agreed. That is the situation as I understand the communications I have had with the work force and their representatives. To the extent that I have got anything wrong in that regard I apologise, but I hope I have accurately captured the reality of the wishes of that work force.

At this stage, however, there does not appear to have been any information or evidence provided to the employees on the career opportunities that might unfold for them should this Parliament approve the legislation that is currently before this House. Most of them it seems, due to natural attachments that they have in Perth, do not have any interest in or thought of careers elsewhere in Australia or internationally, something mentioned by the minister as one of the inducements for employees to accept the sale. The minister stated that there would be opportunities for former employees of AlintaGas to go off and travel the world and take jobs anywhere other than where this work force currently is. Well, the work force has news for the minister. They happen to like living in their homes and working in Perth. They do not take kindly to the minister's suggestion that this privatisation will give them a chance to be freed up to go elsewhere. That was not a very smart comment by the Minister for Energy. The minister has acknowledged that AlintaGas has a relatively young work force. It is well trained, well qualified and very efficient. There is no view that AlintaGas has a bloated or inefficient work force or has workers who will not be required.

That could be seen to beg the question of why AlintaGas needs to be sold in the first place. The work force has done all of those things and taken all of the pain associated with becoming an efficient, productive and streamlined organisation because

of the processes unleashed upon it in the last term of the Labor Government. Enormous pressures were placed on the work force by corporatisation strategies. Naturally the work force feared that corporatisation would simply lead to privatisation and it was regularly assured that the strategies were simply the game plan for it to become efficient so that its long-term job prospects with that government utility were guaranteed. Having reaped the benefit of that improved productivity, the Government now moves to the next step - as the workers always feared it would - and places the whole utility up for sale.

A private company would be hard pushed to achieve any greater efficiencies and be able to offer any better or more cost competitive services to the Western Australian gas consumers. I repeat my belief, which is yet to be refuted by the Government in debate anywhere in the public domain or the Parliament to this point; that is, the opposite is the case. Moving to a private monopoly will simply run the risk of seeing increased costs for gas consumers and a loss for the entire community including the work force. I predict the natural monopoly - which is what this utility is - will remain a monopoly in private hands and that will not benefit the people of Western Australia. The minister should stop challenging that assertion. It is self-evident when one looks at AlintaGas as a trader, purchasing and trading in gas and distributing and selling that gas throughout metropolitan Perth, both to ordinary households and bigger gas users. It is inevitable that the private owner of this facility will fall into an easily protected monopoly situation which cannot guarantee any cost efficiencies or any improved price for the gas consumers of this State; in fact, the opposite is the case. How could anyone think that we could put two or three sets of gas pipelines through the streets and suburbs of metropolitan Perth to enable competition in gas distribution? It is unthinkable. The Minister for Energy must fully appreciate that one cannot realistically claim that this is anything other than a natural monopoly. The cost of reticulating gas through the suburbs of Perth does not lend itself in any way, easily or otherwise, to the establishment of competition in gas distribution across metropolitan Perth. We will have a natural monopoly and I would have thought that there was no way of justifying that reality unless one happens to be a part of the flat earth society - as too many of this minster's colleagues are - and, driven by an ideology, is determined to pursue this privatisation agenda without adequate regard for the damage it does to workers, their families, the ordinary men and women who are the users of gas in our community and to the industries, the small businesses and others, which rely on this commodity in Western Australia.

Surely in these circumstances and in the lead-up to any proposal by the Government concerning its privatisation agenda every attempt should be made to try to tackle the legitimate concerns of a work force which has done so much to get this utility into shape. The Minister for Energy suggested he was endeavouring to do that but we are told the bulk of the employees do not want to transfer to any new company. Surely that will mean the new company will have difficulty in achieving AlintaGas' efficiencies. Having done so much in this publicly owned utility and having worked in the building up of AlintaGas, a large number of the members of this skilled work force do not want to move on to a privately owned utility. This means that that utility cannot acquire for itself from this skilled and talented work force experienced workers with an understanding of this industry and this utility. That expertise, that corporate knowledge, that understanding of the way this system works will not be easily acquired by any new operator which replaces AlintaGas. That places under extreme doubt the claims the Minister for Energy made in support of this privatisation strategy. One would suspect that it will effectively become all the harder for AlintaGas to be sold at the premium price the Government is hoping to get for it when potential buyers recognise the mood of the work force. It is a disgruntled work force whose issues have yet to be adequately tackled in the lead-up to the sale strategy. If that does not mean getting that premium price will be harder, the advantages AlintaGas has in its employees must not be as great as the Minister for Energy is making them out to be. The Minister for Energy is using much double speak in reference to the issue.

I have been told that the Minister for Energy has given the employees' representatives a commitment to get some movement going on the negotiations about the employees' issues relating to the sale and has said that he would be talking to the AlintaGas Sale Steering Committee to see that that happens. I would be interested to know whether the Minister for Energy has had this little chat with the ASSC and what the outcome was. I hope when the Leader of the House replies - whenever that is - he will provide some indication of what progress has been made since the Minister for Energy made those assurances.

I will add to my comments on this Bill some legitimate questions to which the work force is entitled to answers as it watches and waits for the Parliament to deliberate on its future and that of the utility it has built up. What if employees do not wish to transfer to the new company because of a fear of future loss of wages or conditions? We are told that AlintaGas has previously attempted to force some gas distribution operators out on redundancy, contrary to the statements that there would be no forced redundancies. What redundancy provisions will apply to this work force? What will be inserted into the certified agreement? Will the provisions of any agreement apply to the holding company as well as any new privatised entity? As there is only a two-year employment commitment, what will happen to workers when that period expires? Will the Government attempt to force employees to change or cancel their contract of employment with the holding company and the privately owned company? Will the Government make available the legal opinions and views that the State Government, the ASSC and AlintaGas have sought on these issues, issues which govern the likely impact on the employment conditions, the pay and conditions of this work force? If it will not, why not make that information available so the work force knows where it stands in the face of this major change to its employer? Understandably a commitment has been sought for the continuation of all existing terms and conditions of employment that have been inserted into the current agreements under which the workers operate. It is understandable that the work force wants to see those terms and conditions of employment inserted into a legally binding agreement or, by consent variance, into the certified agreement in reference to any prospective employer which it acquires as a result of this parliamentary action, if it is successful.

Some employees want to remain government employees for reasons of superannuation. The opinion stated by AlintaGas is rejected by the Communications, Electrical and Plumbing Union because employees cannot be legally forced to change or cancel their contracts of employment with AlintaGas and then sign new contracts with the holding company and AlintaGas

Limited. The union wants an outline on the proposed privatisation sale legislation for AlintaGas, and how the Government proposes to deal with matters detailed in *Hansard.* These comments will be available for the Minister for Energy to work on his reply over the weekend so that they are available to Parliament when debate is brought to resolution, presumably next week.

The Labor Party seeks a commitment regarding the waiver and recoup of the 1.75 per cent penalty inserted into the common law deed or, by consent, by variation to the certified agreement. The consequences for employees of the privatisation of AlintaGas are said by the minister to be the same potentially as those in respect of the Dampier-Bunbury natural gas pipeline employees. However, we heard the rebuttal from AlintaGas to that proposition.

I am told that the union wants provisions which ensure continuity of employment for employees and continuity of service for gas customers in the event that the new owner of AlintaGas does not survive in the corporate world and heads into receivership and liquidation. Parliament is well aware of these issues. A lot of work has been done on what happens to government utilities as they move into a privatised structure. Many members have had the opportunity to explore how such structures have played out in other jurisdictions. I am thinking of the thirty-sixth report of the Standing Committee on Public Administration outlining a study of the guarantee of supply of essential services to communities. We saw the dangers of Governments heading down the path of privatisation when private companies do not do all in their power to maintain supplies of essential services to the community in the face of changed circumstances. Private companies do not easily lend themselves to taking on board community service obligations if those obligations are costly.

A number of us in the Chamber, including the minister handling this Bill, visited New Zealand some years ago and saw the damage done to the New Zealand economy through the loss of a public utility from government control. The private utility no longer accepted responsibility for guarantee of power supply to that nation in the face of a prolonged drought. The hydro schemes had not been established to take on board the risks associated with such power generation. The company regarded that it no longer had a community service obligation. The people of New Zealand were betwixt and between a Government which said it had nothing to do with it, and the utility which said it was doing its job. It stated, "We do not worry about whether we can deliver electricity to the people of New Zealand." I am sure members can appreciate that this did not go down too well with the punters of New Zealand, who regard the provision of power - as Western Australians regard gas supply - as a responsibility from which the Government cannot walk away.

If this AlintaGas sale does proceed, the Government has responsibilities to which it should own up in advance. I refer to the provisions which apply to the workers, and those which apply to the wider community. What will happen if something goes wrong with the company's corporate structure? What will happen to the agreement and arrangement put in place for the work force? What will happen to the obligation of that utility to provide for the supply of gas to customers in Western Australia?

The Government's standard legislation dealing with the privatisation and sale of publicly owned assets has provision for a transitional payment to workers of 12 weeks' salary. The DBNGP provided an incentive payment based on years of service for employees who transferred to Epic Energy with an average payment of $8 000 to $12 000. We are told by AlintaGas that that is not on. The minister's assurance that a similar arrangement to that for DBNGP will apply to the AlintaGas work force counts for nought. Parliament is entitled to have put before it the final word on the question: Are the minister's assurances to count for nought? Will he state his word as his bond into *Hansard* that the work force arrangements will mirror those which applied to the work force associated with DBNGP?

The union sees the incentive scheme with Telstra as a precedent. It would like AlintaGas to look at that precedent before going further down this path. The backdrop is that the union and the work force do not want AlintaGas to head down this path at all; however, if we are to proceed, at least the Government should acknowledge that this precedent exists which should be followed before the privatisation strategy is further unleashed on Western Australia. Talk is heard of a bonus arrangement for employees' efforts to make AlintaGas a viable and profitable company. Mention legitimately is made of attempts to force and intimidate employees to sign workplace agreements. That is unacceptable. Such pressure is inappropriate and wrong, and should not be associated with the activity of AlintaGas, either in the lead-up to the sale or as part of any strategy unleashed on the work force following the sale.

We have seen the unanimous no confidence motion in the AlintaGas negotiator and its human relations manager. In those circumstances, the work force can feel legitimately aggrieved when the Government makes assertions to the contrary; that is, that the work force's concerns will be absolutely tackled and addressed. The minister stated he wants the workers to be happy and enthusiastic about the privatisation of AlintaGas. Not too many workers at AlintaGas feel happy about what is being unleashed upon them by this Minister for Energy, with the support of his Government. The truth is that the Minister for Energy is driven by the ideology which comes from the Chamber of Commerce and Industry of Western Australia and which has captured this Government. A huge penalty will be paid for what the Government is doing and attempting to do. It is caught out again. Despite the pre-election commitment not to advance this type of strategy, the Government unleashed the sale proposal after being re-elected. This is effectively another part of the process of being dishonest with the electors of Western Australia. The Government made many commitments at the last election to not do things it is now doing. It said it would not sell AlintaGas; it is now doing so. It tried to grab a window of opportunity to push through this privatisation and it should know in its heart of hearts that it should not do so.

Hon N.F. Moore: Stick to the facts.

Hon TOM STEPHENS: I am; and the fact I am sticking to is the answer that the minister gave -

Hon N.F. Moore: I know; you read it out that there was no intention at that time to do so.

Hon TOM STEPHENS: I know exactly what I read out.

Hon N.F. Moore: A decision has been taken since then. What is the window of opportunity you are talking about?

Hon TOM STEPHENS: The minister should not distract me. He has now interjected on me and should let me complete the point.

Hon N.F. Moore: You are making the speech. What is the window of opportunity you are talking about?

Hon TOM STEPHENS: I will get back to the point.

The PRESIDENT: Order! The Leader of the Opposition should get back to his contribution to the second reading speech without interjection.

Hon TOM STEPHENS: Yes. I will deal with the point, which relates specifically to the Bill. The question is: Should this Bill go ahead? The answer is: No, it should not. One of the reasons that it should not is that the Government has no mandate. My proof of that proposition is that in this place in 1996 the minister opposite, on behalf of his Government, directly answered a question asked by the Opposition at that time. The question was: Is the Government planning to privatise AlintaGas? The answer from the minister - which might have been a tricky one - was no, there are no plans. We, and all the people of Western Australia, can legitimately assume from that answer that the Government had no plans and it was not on the agenda.

Hon N.F. Moore: That is right.

Hon TOM STEPHENS: What, the plans were in its back pocket and it pulled them out after the election?

Hon N.F. Moore: No, the decision was made last year and you know it.

Hon TOM STEPHENS: The minister should not give me that answer. We know that these decisions were made at the former Confederation of Western Australian Industry and Chamber of Commerce which had been driving the minister and his Government for a long time. The only feature about this Government that has not changed is the length to which it will go to deceive the Western Australian community in the lead up to an election. The issue of mandates is relevant in the handling of this debate, Mr President, as you would appreciate.

Hon N.F. Moore: Mandates are relevant, are they? What mandate did Brian Burke use to cut people's salary by 10 per cent?

The PRESIDENT: Order! I do not want interjections. I am interested in what is being said, as I will be interested in other speakers when they have an opportunity to speak. The Leader of the Opposition should stick to the Bill and get on with the business.

Hon TOM STEPHENS: It is relevant to say to the Government, "If you want to sell AlintaGas, go and get yourself a mandate from the people of Western Australia. Go and tell them that this is what you want to do and then see whether you are still on the other side of the House as the Government of the people of Western Australia." Until the Government has that mandate, it should not bring in Bills like this to the Parliament; it has no mandate for this initiative. The Government is at odds completely with the way in which it has positioned itself in the mind of the public in the lead up to the last state election. Is it any wonder that government members are nervous about embarking upon yet another risky privatisation strategy, as the Government is doing with this Bill? The Government has marginal seats all over the metropolitan area of Western Australia in which seats are workers employed in the AlintaGas industry. They will not forget what they are being put through in the lead-up to this debate; they know of the enormous cost and penalty that they will incur as a work force.

These are no laughing matters. No member of the Government should treat in a cavalier manner the uncertainties it is causing the members of that work force, their families and friends and the wider community. In the face of that, government members at least should have the decency to withdraw this legislation now rather than put that work force through all those uncertainties in its determination to pursue privatisation, no matter what is the cost.

I want to talk in part about uniform tariff issues that flow out of this privatisation question with which we are faced. In June 1999 the Allen Consulting Group carried out a national competition policy review of the proposed sale of AlintaGas. I do not propose to go into that review in great detail but I want to refer to two of the conclusions and recommendations. The first recommendation is that regulated, uniform tariffs are fundamentally incompatible with competition. AlintaGas should not be required to maintain uniform tariffs for residential customers following full deregulation in 2002, if competition appears unlikely to develop in the short term following contestability. However, the Government would be justified in exercising price controls over the monopoly by setting a cap on retail tariff increases.

I represent an electorate in the remote regions of this State which is largely dependent on the supply of gas through gas bottles delivered by a monopoly operator. The Government has done nothing about capping the cost of the sale and delivery of gas through those gas bottles to the consumers of my electorate. Instead, those consumers have endured enormous price hikes in the gigantic gas prices that they pay to the monopoly in this State. I previously used the example of Onslow which is a very good example of a town in my electorate whose inhabitants have to buy gas which is bottled a couple of kilometres away from their homes and businesses. It is then sold back to them at higher prices than those paid in any other part of the State - prices that members would not believe. Those people have complained to the Government about the exorbitant charges that they are experiencing because of that monopoly, a monopoly which is a friend of Government in that it is owned by Wesfarmers and its subsidiaries.

To members who are persuaded by the argument that this Government, in the face of a private monopoly, would do something to cap the price of gas delivered to the consumers of Western Australia, I say, "Bunkum, it will do no such thing".

It has never done so since coming to office and it never will. The reason for that is because its support base is the confederation of industry whose large corporations apply pressure to get the Liberal Party on to the Treasury benches so that it is left with no freedom to stop industry from taking unreasonable profits at the expense of consumers in Western Australia, including those that I represent in the Mining and Pastoral Region.

The second conclusion of that review is that it is not clear that a cross subsidy from business to residential customers exists but that such cross subsidy would be unsustainable following the introduction of full contestability when business tariffs may fall relative to residential tariffs. From this, it is clear that residential customers - in particular, as usual, country and residential customers - will cop it in the neck from privatisation, even if this privatisation does not go through. Prices are likely to increase after the removal of uniform tariffs. Residential customers in country areas may receive a double whammy if business tariffs fall with a corresponding increase in residential tariffs. As we know, any price rise for business has the effect of being passed on largely to the consumer. If there is a price reduction for business, it is passed on to the shareholder in benefits from that price reduction. Either way, the little men and women of Western Australia - the ordinary mums, dads and families - will miss out. It is unusual that the consultant could not tell if a cross-subsidy already exists. Presumably, the consultant would have had access to information from AlintaGas and AlintaGas should know. It may be that the minister, in response to this debate, can tell the House the answer to that question. I would appreciate it and I hope that by making it available to the Parliament, in turn it will be made available to those with a wider interest in these questions. If the information exists, residential customers should know what increase they are likely to face if the uniform tariff is removed. In any case, they should be advised of the impact that the privatisation of AlintaGas will have on uniform tariffs and whether there are plans to remove uniform tariffs even if the sale does not go through.

This privatisation has no support; that is clear when one considers the strong community opposition that is building against the privatisation agendas of the Government. There is a general revulsion at the way the privatisation of AlintaGas has been put before the people of Western Australia. The Government has said that the public can get an already promised extension to the southern rail network only if the sale goes through. The rail network was an election commitment by the Government. It did not say the network was conditional upon this sale, which was not on the agenda. The Government had no plans for the sale of AlintaGas. Now, the public can get one promise only on the basis that the Government breaks another. The people of Western Australia should be able to tell this Government to go away because they have had enough. They should tell the Government to either deliver its promises or meet the consequences. Community attitudes about privatisation have hardened and are hardening more every day. The Government has very serious short-term budgetary problems. It was elected because it was considered to be a competent economic manager. Nothing is further from the truth. For the entire period this Government has been in office, day in and day out, my good friend Hon Ljiljanna Ravlich has exposed the Government's economic incompetence. This incompetence has led to a budget deficit of $648m. The member spoke yesterday about the extraordinary situation of leave accrual and other huge costs that the Government has developed that displays its incompetence. The cost of outsourcing in a range of areas and the cost of the Government's privatisation agenda have been huge. The Government has recently announced and boasted about some of the major privatisation strategies the Minister for Transport is engaged in. These strategies add more costs to the budget. I refer specifically to the huge contract the minister announced last week. The Government's incompetence with its outsourcing and privatisation has left a huge hole in its budget. Its solution is to grab the crown jewels and sell them off to pay for its mismanagement. I do not think the people of Western Australia should have to tolerate that and I do not think they do tolerate it. They will show that when they have the chance to express their views on these questions at the ballot box.

Hon Ray Halligan: Hon Tom Stephens would believe his own rhetoric.

Hon TOM STEPHENS: I believe the people of Western Australia when they have said they have had enough of the likes of Hon Ray Halligan and do not want him or his colleagues on the Treasury benches any longer. The sooner he gets his Government to go to an election so the people can get their hands on him, the better it will be for the public and for us. The people will not let the Government continue to wreak havoc upon the infrastructure the ordinary men and women have developed in Western Australia. They will not forget the Government when they go to the ballot box.

Hon Ray Halligan: Opposition members were not perfect managers during their 10 years in Government.

Hon TOM STEPHENS: We have learnt a lot of lessons. We learnt a lot during our period in office, but we have learnt more during our time in opposition.

The PRESIDENT: Order! The Leader of the Opposition does not need to yell, because I can hear him. If Hon Ray Halligan ceases interjecting, the Leader of the Opposition will be able to speak to the Chair.

Hon TOM STEPHENS: I intend to be part of a Government that does not unleash these sorts of ill-considered and ill-conceived strategies upon the people of Western Australia. I belong to a party that has learnt lots of painful lessons. We have eaten lots of humble pie. However, we have learnt from those experiences. When the Labor Party is back in office it will deliver good government to the people of Western Australia, such as the Government has never displayed during its terms in office. The Opposition has learnt its lessons and understood the damage that was done by a range of experiences, including the misplaced venture into ideology. The ideology that pursues privatisation in core areas of government responsibility, like that of AlintaGas, should never be explored by Governments. If the Government has not learnt that lesson, it does not deserve to be on the Treasury benches. I hope the Labor Party has the support of the people in driving the Government from those benches. The Government clearly has serious short-term budgetary problems. It is trying to maximise short-term returns to deal with these difficulties. It is placing these gains ahead of the interests of consumers, Western Australian taxpayers and the employees associated with the utility.

Given that the Government has no mandate or support to sell AlintaGas, concerns over what is next on the Government's

privatisation agenda are legitimate. Is it Western Power or the Water Corporation? What will be next? What is the Government not prepared to sell? What will it not sell? It is prepared to sell prisons. I put it to the people of Western Australia that, given a chance, the Government would sell the lot and laugh its way to the bank in the knowledge that at least its mates were happy, if not the punters of Western Australia. The Opposition will be upfront about these questions in this debate and in other debates on these issues in the lead-up to the next election. The Opposition makes no apology for its implacable opposition to the Government's agenda before this Parliament. The Opposition will no longer pursue, or allow the Government to pursue, these privatisation strategies. It believes that the public is strongly opposed to the privatisation of basic services such as power, gas and water. The Government's changes have not caught up with public opinion. We believe that if the community were given a chance, it would loudly and volubly express its view on these questions. The Government did not have the courage to raise these propositions before the last election, even though it is dealing with an asset valued at approximately $1b. This is a major economic and financial decision in anyone's language.

We oppose the privatisation because of the market structure that will be created as a result. The damage that will be done to the work force is a legitimate reason to oppose the privatisation, but we also oppose it because the market structure that will be created will unleash wider damage on the wider community. The Government is proposing to transfer this natural monopoly from public ownership into private hands. In doing so the Government compromises the objective of having cheaper gas prices. The Opposition believes that gas consumers may well be the losers and therefore they should not have to tolerate the privatisation. Western Australians already own AlintaGas. Some 1.8 million Western Australians are effectively public shareholders in AlintaGas because it is in the public hands and held by a government-owned company. The Government says the sale of AlintaGas will be an opportunity for Western Australians, the mums and dads, to own shares in the company. The Government has recently thrown into the debate the idea that workers could also become shareholders in ways that are yet to be unfurled. Some sort of pea and thimble trick seems to be on the table. It seems that if the employees go along with the sale and enthusiastically support the privatisation strategies, shares will pop out from under one of the thimbles. I think the work force knows that is not the way it works. The great risk is that what will pop out from under the thimble will simply be reduced pay and conditions for the workers who choose to go across to the private operator. They risk losing their current entitlements. The Government has not yet spelt out an agenda that guarantees that the situation will be otherwise. If the Bill is successful and AlintaGas is privatised, the number of people able to own shares in AlintaGas will be effectively reduced from 1.8 million to perhaps 100 000, if we are lucky. There is the risk that shares will land in the hands of fewer people than that. There are no real guarantees about who the real beneficiaries of this operation will be. I have been in this Parliament for a while. I remember being in Government and hearing of the gas distribution facility in Fremantle being returned to government ownership, in a damaged state. It was delivered to Government below book value. It was a legitimate complaint. There was a privately owned gas distributing company that was in a shocking and pitiful state in private hands.

It was put into government ownership for, regrettably, a greater price than should have been paid. The public sector took that system and turned it into an incredibly efficient, cost effective system by virtue of the work done by the workers associated with what is now AlintaGas. Having done all that at great public expense, as Hon Ljiljanna Ravlich pointed out earlier, with further capital expenditure going from the taxpayers to the same utility in the current budget years, this utility is to be sold off to the private sector if this Government is given a chance.

Hon N.F. Moore: I think Yosse Goldberg was involved.

Hon TOM STEPHENS: We have learnt painful lessons in this process. The coalition is determined to repeat those mistakes by its flirtations with business and its sale of the assets of the people of Western Australia. The Opposition has learnt from its mistakes; but members opposite have learnt from neither our mistakes nor their mistakes. Their time is effectively up. Even if the Government were to privatise AlintaGas, believing that it had chosen the right privatisation model by selling AlintaGas as a vertically integrated monopoly, it will have placed privatisation ahead of competition; yet it is competition not privatisation that will deliver cheaper gas benefits to consumers.

The Opposition is not happy with the arrangements outlined by the Government for the protection of consumers by limitations on tariff increases. There is no advantage to consumers in the projected changes in AlintaGas tariff increases under public ownership, with projections of future increases under the Government's rules.

I refer to the possible ownership of the business outside Western Australia. That is a legitimate concern. AlintaGas is owned by all Western Australians. If the Bill is successful, the business will be sold in two separate stages. First, as a trade sale of between 40 and 49 per cent to a so-called cornerstone shareholder, almost certainly to be an existing entity in the energy business. It might be a Western Australian firm or an Australian firm. However, there is nothing to stop that firm from being based outside Australia. That possibility is a legitimate concern and complaint of the people of Western Australia. One of the main issues for debate should be whether it is appropriate for this core government activity of the delivery of gas energy to the people of Western Australia to be flogged off and owned by a foreign company.

Although the successful company will not own more than 49 per cent of the privatised AlintaGas, it will be able to control the energy, given that no other shareholders will be able to own more than 5 per cent of the company. In addition, a two-year limitation period will be placed on shareholdings, after which conditions on share ownership will be removed and the cornerstone shareholder will be able to increase its shareholding. Others will be able to buy shares from the cornerstone shareholder and from other people. That means it will be possible for the newly privatised AlintaGas to become a wholly-owned subsidiary of any other international utility.

Although I, for one, do not find that an acceptable fate for AlintaGas, it is interesting to compare the minister's approach to the privatisation of AlintaGas with his approach to the privatisation of SGIO Insurance Limited. The legislation covering

the sale of SGIO placed an upper limit on shareholdings of 15 per cent for two years. On 12 November 1992 the member for Cottesloe, in opposition, the now Minister for Energy, argued that a two-year limit should not apply and that the limit on shareholdings of 15 per cent should be indefinite. He said -

> The clause places a limitation on the shareholding at 15 per cent for two years . . . However, it offers only limited protection because after two years, to the extent it may have a restricted shareholding, there would be a rise in price in anticipation of a takeover bid and that would provide a windfall gain to the shareholders, rather than to the Government or the people of Western Australia currently selling it.

He said that the restriction should apply indefinitely. Now that he is in government he is taking a totally different approach, much more in keeping with the demands placed on him by the Chamber of Commerce and Industry, but showing scant regard for the wider public interest. The fact that this Bill provides that the new owner's headquarters must be in Western Australia and that the chief executive officer and the majority of the directors must be ordinarily resident in Western Australia, will not prevent overseas owners being in control. They are entitled to expect to be in control. It will not matter where their subordinates live or their headquarters are situated.

The difference between this proposed privatisation and previous privatisations of government entities, such as BankWest and SGIO Insurance Limited, is that the latter had simply a share of the competitive market. In this case, the Government is selling a vertically integrated monopoly. Surely all the alarm bells should be ringing and saying, "Go back; no further." AlintaGas has 100 per cent of the retail and distribution market in Perth and some country areas. It has 10 495 kilometres of gas distribution lines and 400 000 customers. This retail and distribution monopoly will go from public hands into private hands.

The usual accountability mechanism affecting public providers in a natural monopoly is the Parliament and the ability of members of Parliament to ask questions, to seek information and to criticise. Other checks include the ability of the electors to change the Government if they do not like the way it is handling a utility, and use of the freedom of information legislation, the Auditor General and the ability of the Ombudsman to deal with complaints about the way a utility has treated people. If we privatise AlintaGas we will lose all those checks and balances that apply to a publicly owned monopoly. We will lose the ability for the people of Western Australia to have their questions answered of necessity and of obligation in Parliament. That is what this place is for - to ensure that the concerns of the ordinary people of Western Australia are before the Parliament, where ministers are obligated to answer them or face the consequences. No such obligation will exist under the realities that will be unleashed should this Bill pass through this House.

There will be no opportunity for the Auditor General or the Ombudsman to inquire into any operation of a privately owned monopoly. That is what the people of this State can be sure of if AlintaGas is sold. All of the work force associated with AlintaGas knows the level of scrutiny under which it comes due to its being within the public sector. They are aware of the questions they can ask and the pressures that can be applied to ensure it is doing the right thing and producing a product that the people of Western Australia demand; that is, an efficient, effective and cheap supply of gas to the customers of this State.

If we change all that through privatisation, the people of this State will lose those rights. They will not then have an opportunity to restrict the operations of the utility in such a way as to maximise the returns and benefits to them. All of those things will inevitably and effectively be gone. What will we get in return? There will be checks on private providers that are effectively, normally done through competition and the market place. However, with the privatisation of AlintaGas we will not have that competition. It will certainly not be available in the distribution network.

We cannot have two sets of pipelines running down the streets to allow two distributors to compete. It is unthinkable and it would be impossible. It is an inefficient proposition to say that it would somehow enable the people of Perth to choose between the gas providers that will emerge following the privatisation of AlintaGas. In the absence of that competition, out the window will go the normal opportunities for protecting the interests of the consumers of gas in this State.

As I said, those interests have been protected by the other structure available to them. In these circumstances, they will lose that structure and get nothing in return but a private monopoly not subject to competition. That is legitimate and real criticism. Inevitably, there is real scepticism in the market about the effectiveness of mechanisms such as an independent gas pipeline regulator as has been proposed, with the job of approving access codes for pipelines, and the ability of others to access infrastructure. This is an important issue, because AlintaGas is being privatised as a vertically operated monopoly. Two sectors will be stapled together so that it is described as operating separately. Whether it has rings around it, staples through it or whatever, the end result is a private monopoly. Stapled, ringed or otherwise - however the Government chooses to describe it - it will effectively deliver a mess for the people of Western Australia.

When others want to compete in the trading and retail areas, they will find that they have to use the AlintaGas distribution system, and they will feel that AlintaGas retailers and traders have an advantage over them because of AlintaGas's ownership of the distribution system. The minister will say that AlintaGas is being sold as this ring-fenced business and that the distribution people are not supposed to assist the retail and trading people. However, the problem is that people do not accept access codes - that is the truth of the matter - and arbitrators and ring fencing are not the full answer to those difficulties. The full answer is to separate the retail and trading operations from the distribution operation. However, understandably, there is no appetite for that, nor do I advocate it. If that is not done, there is no basis upon which the Government can deliver for the people of Western Australia a real prospect of a ring-fenced business - as I said, stapled or otherwise. Only with the disaggregation of these operations will the market be confident that the competition will be fair and the environment truly competitive. Regardless of what the minister does, we cannot legislate against corporate loyalty and informal contact or communication. The Parliament effectively cannot legislate against the knowledge that people acquire when working in an organisation, nor can it legislate against the information advantages that people acquire.

On behalf of the ordinary men and women of this State, I conclude my remarks with this impassioned plea to the Parliament of Western Australia: Do not pass this Bill. Do not privatise this utility. Nothing but damage will be unleashed as a consequence of this strategy. That damage will cut across many sectors of our community - the sector associated with the work force of AlintaGas, the business community that takes gas from AlintaGas and, in turn, especially the ordinary mums, dads and families of Western Australia who have up until now had a utility that has adequately, efficiently and cost effectively delivered gas to them. All I can say to the Government is: Stop. The answer is no. There are many ways to say no. I hope I have said it long enough and loud enough so that the Government understands. Please pull back from this legislation.

[Interruption from the gallery.]

The PRESIDENT: Order! First, let me say to the people in the public gallery that I am delighted they are here taking an interest in the debate - I am sure that I speak for all members of the Legislative Council. However, the bad news is that there are a few rules. One of the rules is that only the members on the floor get to speak, interject or, indeed, clap occasionally. I have been pretty pleased with the way things have gone so far, and I understand that the debate will probably continue next week. I want the public galleries to be open next week so that people can come in, listen and understand what is being said. Therefore, let us keep things on an even keel. I will be happy, the people in the public gallery will be happy, and we can get on with the business of the House.

HON HELEN HODGSON (North Metropolitan) [3.04 pm]: When it comes to privatisation, the Australian Democrats' policy is to look at the merits of each case, and we decide whether it is appropriate in the circumstances before us. However, when it comes to the sale of a publicly owned asset, that is about as clear-cut a case as one can get of the extent to which public ownership is being transferred into private hands. It is on that basis that I have been considering this legislation. We have a methodology in the way we approach these types of debates. I have looked primarily at two issues; that is, the economic implications and the social implications. I note that that was one of the recommendations that came out of the recent report of the Standing Committee on Public Administration in its inquiry into outsourcing and contracting out. It said that we should be looking at undertaking a social impact study before proceeding with contracting out, outsourcing and, by extension, sale of assets.

At this point I should acknowledge that in preparing for this debate and forming my views I had the able assistance of two parliamentary interns through the University of Western Australia program; that is, Meredith Edwards and Travis Sampford. I appreciate their assistance in helping me to pull together all the information that I have accessed in the course of this debate.

In its second reading speech, the Government listed a large number of benefits that it believes will arise from the sale of AlintaGas. That list of benefits includes minimising government exposure to the business risks of competition, maximising the value of the AlintaGas business to the people of the State, releasing state capital for other purposes, providing an opportunity for share ownership to all Western Australians, delivering lower gas prices to consumers, facilitating more consumer choice through increased competition, separating the Government's policy and regulatory function from its participation in the gas market, providing for efficiency gains and opening up market opportunities. That has formed the framework for my analysis of the proposal before us to determine whether these benefits will be delivered.

The first matter I will address is competition policy. This is an issue that seems to be one of the Government's prime arguments at the moment for proposing to sell off AlintaGas. As a starting point, I will refer to a report that was tabled in the Legislative Assembly in, I think, June or July this year. It is a report of the Standing Committee on Uniform Legislation and Intergovernmental Agreements and is entitled "Competition Policy and Reforms in the Public Utility Sector". It starts by saying that there is clearly some confusion about what national competition policy means, because there have been so many other reforms going on at the same time. Therefore, people believe that competition and privatisation are linked and must go together. Finding No 3 in that report states -

> . . . that National Competition Policy does not necessarily require privatisation, the contracting out of services provided by the public sector to outside businesses or the need to make cuts in subsidised services.

Finding No 5 states -

> The Standing Committee found that there may be a number of issues concerning the privatisation of AlintaGas that need to be addressed including the need to restructure AlintaGas. The Government should proceed with caution when transferring a public monopoly to a private monopoly.

Moving on from that, the Government responded to that report. It is good to see that the Government does respond from time to time, and I commend that practice to ministers because it makes things much easier. The Government said that at the outset it should be recognised that the privatisation of public utilities is not a requirement of national competition policy, which is neutral as to whether ownership should be in public or private hands. Therefore, it is clear that competition policy does not require privatisation. What competition policy requires is the ability for entities to compete on a level playing field in the marketplace, no matter what the ownership is.

I refer to an article from *Agenda* titled "Unbundling Australia's Utility Regulation" by B. Stephen Labson. In defining competitive neutrality, he quotes Stuart Hohnen and states -

> . . . aims to promote a more neutral competitive environment where the private and public sectors are in competition, so that the same rules are applied to all enterprises regardless of their ownership. The principles are implemented by removing any competitive advantages and disadvantages which a government business enjoys over

> its private sector rivals by virtue of its ownership. Examples of such advantages might include immunity from various taxes and charges and access to finance at concessional interest rates, while requirements to provide community service obligations may confer a competitive disadvantage.

Given that that is what the Government claims to be trying to achieve in this situation, competitive neutrality, as a principle to which the competition policy commits us - I will leave aside whether I agree that it is always necessary - does not hinge on companies being in private ownership. It is my understanding from comments made publicly this week that the Government says that this is the best time to privatise AlintaGas because it will put it on an even footing when full competition occurs in two years. I will return to that issue later when I make comments about efficiency. I argue that the point is whether the corporation is structured in a way in which it can compete on a level playing field. The underlying ownership is less important in that than in the structure and the regulatory framework within which it is operating. I refer to information paper No 61 of the Committee for Economic Development of Australia, which contains an article by R.R. Officer titled "Privatisation of Public Assets". The author argues quite strongly that privatisation should happen because it creates greater efficiency. He believes it is easier to get legislation encouraging a competitive environment if government is not one of the competitors. Government business entities often ask for and usually obtain protective legislation.

That is not what is happening here. Last year we passed the Energy Coordination Amendment Bill and the Gas Pipelines Access (Western Australia) Bill, which set up an independent regulatory agency. The fact that AlintaGas is one of the agencies governed within the framework of the Office of Energy says, in essence, that we are already looking at methods of making sure that the competition is happening on a level playing field. Turning around now and arguing that the Government will give an unfair advantage to AlintaGas becomes a policy decision with which the Office of Energy would be required to deal if we are to comply with the competition policy framework. Although there is a belief that privatisation is a connection to competition and that we need it to get an efficient market, I argue that an efficient public utility can compete in a private marketplace as an equal competitor. That creates a possible bonus. On the social issues, there is a concern that entities disregard any community service obligations. Having a player in the marketplace which has a more community-focused approach may encourage competitors to compete in providing that level of service, because efficiency is about not only profits, but also the way people are treated. If a competitor has a customer service focus, it can encourage other competitors to adopt the same approach. I just wish the banks would pay some attention to that principle.

The next point in the second reading speech refers to maximising the value of AlintaGas. That is an interesting concept. I have looked at the balance sheet of AlintaGas. The public comments this week refer to a sale worth $1b. I understand it could be anywhere between $800m and $1b. That is being used as an argument for the sale because we desperately need that injection of cash. The balance sheet of AlintaGas currently shows that the State's equity is $118m. That means that effectively we have a corporation which is carrying a goodwill component of $682m. In effect that is what the Government is trying to realise. It is selling an asset that is grossly undervalued in the books because that is a way in which it can then reduce debt, borrow more and fund other capital works. That is why we must maximise the value of AlintaGas. It is not because AlintaGas is not worth $800m to $1b; it is because it is not recorded in the books on that basis for accounting purposes. That means we cannot borrow against it. When we look at the principle of maximising the value, we are realising a non-cash asset, which is the goodwill component, and converting that into cash. On that basis, that lends a bit of sense to some of the other things that are happening.

In terms of other public utility floats that have occurred, the one that continuously comes to mind is that of Telstra. When we talk about the public share float, everyone points to the number of mum and dad investors who did well out of Telstra. I am referring to Telstra 1, because some fundamental errors were corrected in Telstra 2. In the Telstra float there was an enormous undervaluation of the amount for which the shares should have been sold. That meant that all of a sudden the mum and dad investors received a huge capital gain and that the Government did not realise the true value of the asset. Apparently that is not uncommon. I now refer to a paper by John Quiggin in which he refers to privatisations by public float. He indicates that privatisation by public float has generally yielded poor returns. He examines a number of cases from Australia and the United Kingdom and finds a net loss from privatisation in every case. Information paper No 61 states -

> . . . in most privatisations by public float, the offer price has been below the market opening price, allowing buyers to make 'stag' profits by participating in the float and selling their shares as soon as trading begins.

Then there are the discounts associated with public floats which involve large investors like the cornerstone investor we have here. He goes on to argue that underpricing may be deliberate in terms of political objectives.

Hon Derrick Tomlinson: Who has the loss? Does the vendor or the purchaser have the loss?

Hon HELEN HODGSON: It is undervalued, which means that the Government does not realise as much from the float as the asset is worth. It is an undervaluation, not a dollar loss. There are arguments that we must be very careful about setting the level of the share price when there is a float. I hasten to add that, due to the way in which this float has been structured with a cornerstone investor followed by a public float, we have a better chance of getting a realistic price than if it were a straight public float. If the sale were to go ahead, we must be aware that rarely does the public float realise the true value of an asset to the Government. I also note that there has already been some substantial restructuring of the debt components within AlintaGas to assist this revaluation of AlintaGas. Again I refer to its financial report which indicates that debt levels have fallen and that has resulted in an improvement in the gearing ratio. The annual report states -

> The decision in June 1998 to restructure AlintaGas' debt has resulted in significant savings in debt financing costs, with the Interest Cover Ratio improving from 1.6 in 1997/98 to 4.1 in 1998/99.

That leads me to another point. There has already been substantial restructuring within AlintaGas. That has resulted in the

company addressing many of these efficiency issues. There is an argument which says that a private company will always be more efficient than a public utility. I hasten to add that it is almost an insult to public sector employees to suggest that just because they are in the public sector they are not as efficient as private sector employees. It may have been true in the past that public sector structures were such that there were inbuilt inefficiencies but most of the fat has been trimmed from the public sector at both the federal and state level over the past 10 to 15 years. There is now very little fat left to trim. I am constantly amazed at what the public sector organisations manage to accomplish with their staffing ratios.

I have gone to a number of key financial ratios to get some feel for the efficiency of AlintaGas relative to other gas corporations. I was able to fairly easily get financial data on AGL Pipelines Ltd and Boral Energy, two of the major gas distributors in other States. I was able to get some information about United Energy, which is a smaller company operating primarily in Victoria. I thought I had information about Ergon Energy but the download failed at a critical time and I do not have that information. The core ratios include debt to equity - AlintaGas is at 65.6 per cent; AGL at 86.3 per cent; Boral at 67.7 per cent; and if my calculation is right, United Energy is at 261 per cent. However, I hasten to add that United Energy has been restructured during the year and there might be something that I am not aware of from the financial information I was able to get hold of. Earnings on assets: AlintaGas 9.9 per cent; AGL 9.6 per cent; Boral 6.5 per cent; and United Energy 6.1 per cent over a six-month period. Earnings to sales ratio: AlintaGas 17.2 per cent; AGL 20.95 per cent; Boral 9.1 per cent; and the ratio for United Energy was not available. Interest cover ratio: AlintaGas 4.1 per cent; AGL 4.5 per cent; Boral 3.7 per cent; and United Energy 4.07 per cent. On all of those measures AlintaGas is very competitive - in profit ratios, in debt equity ratios, and in interest cover ratios. Obviously the internal restructuring of AlintaGas has been quite effective in making it an efficient operation. The question is, was it the incentive of privatisation which led management to take the steps to make the utility efficient or would it have happened anyway? That is the $64 question but I think if it has been made more efficient in order to privatise it, that is an indictment in itself because it means the priorities are going in the wrong direction. However, it means when one lines up its financial credibility against some of the major suppliers, AlintaGas is in a position where it can compete in the marketplace without any significant competitive disadvantage.

The Committee for Economic Development of Australia information paper No 61, the Quiggin paper, contains a wide ranging discussion about operating efficiencies. It is clear that there is conflicting evidence on the comparative efficiency of public and private sector organisations. When one looks at studies, one finds that in some the private sector is more efficient but no significant difference is observed in many studies. In studies of electricity and water services, either the public sector has been found to be more efficient or no significant difference has been discovered. The efficiency argument in itself is one which members should take very carefully. If there are arguments about the efficiency of AlintaGas, they can be dealt with as a corporation, no matter what the ownership is. Efficiency is not contingent on public versus private sector ownership. Once an organisation has been corporatised, there are certain other characteristics which come into play and that has already happened with AlintaGas.

Hon Derrick Tomlinson: How do you measure efficiency in the comparison between private and public?

Hon HELEN HODGSON: No doubt the studies I have referred to provide their methodologies but I only have 25 minutes left.

That deals with some of the efficiency arguments. I have referred to the value of AlintaGas and another argument put forward is the issue of releasing state capital and freeing it up for other purposes. I have already mentioned the difference between the balance sheet value and the expected value to be realised; but I have gone back to the *Budget Statements* - a good place to start when looking at state financial policy. Looking at the page on net debt, it is clear that the Government is claiming a very good record for net debt. It states -

> Net debt will remain at historically low levels over the period 2002-03, although record levels of capital works will see a one-off increase in debt in 1999-2000.
>
> Projected net debt for 1999-2000, at $6.1 billion, remains lower than the peak figure of $8.7 billion recorded just six years earlier.

The Government said at that stage that debt was not a major problem. Although the Leader of the House will no doubt address this when he sums up the debate, it is my understanding that the *Budget Statements* did not take into account the potential privatisation of AlintaGas because at that stage the details, the methodologies and so on had not been committed to. The target of a declining net interest cost as a proportion of gross own source revenue is expected to be net over the forward estimates period as reliance on debt funding diminishes. The *Budget Statements* go on to state that -

> . . . the net debt of the total public sector is expected to increase through to 2000-01. Net debt is expected to decline thereafter as major capital projects wind back and the reliance on debt funding is diminished.

I acknowledge the *Budget Statements* are now about six months out of date and make no reference to a couple of new capital initiatives. I also acknowledge that some blow-outs are concerning some commentators. However, the *Budget Statements* do not indicate that we have a debt problem. In fact, they contain an outline of targets which under the heading "Net assets of the public sector be maintained or increased" state -

> This indicator provides a comprehensive measure of the implications of government operations for the net assets (or equity) taxpayers hold in their public sector. It is also helpful in assessing the longterm sustainability of current financial policy and highlights potential intergenerational inequities. This target requires sound asset acquisition and/or sale decision and effective management of liabilities.

Given the number of asset sales we are seeing at the moment, both within government departments and major sales such as this proposition, I would like to see how the Government is performing against that target.

I have already made reference to some of the difficulties with share ownership in the context of maintaining value. An issue which I have not yet addressed is the question of foreign investment levels. When many public utilities are floated they have restrictions about the extent of foreign ownership. There is a reason for that which concerns public perception. If we have an asset which is owned by Western Australians, people do not like to see a major proportion of that asset being sold to overseas interests. I could get into all sorts of arguments about capital import and capital export neutrality and whether that is a good idea and inviting the United States pension funds to invest in sound Australian enterprises. I appreciate that all of those are economic arguments which run in the macro forum. However, the reality is when one is talking about selling an asset which is currently owned by the Western Australian community as a whole, that community does not like the thought of its being sold overseas. That came out clearly in discussions in the United Kingdom and in the Standing Committee on Public Administration report on contracting out and outsourcing. It was put there in the context of water utilities.

Hon Barry House: The only comment was that it was a measure of efficiency.

Hon HELEN HODGSON: It is an important issue to the people of the State as they do not want the utility sold to foreign investors. Victoria raised $6.7b when it sold off all its electricity distribution companies in 1995. However, all the distributors were purchased, at least in part, by United States companies, which created some perception that Victoria no longer has a major say in its energy policy.

When considering competition, one must separate policy decisions from operational aspects of energy utilities. We have already done that in Western Australia. Parliament passed the Energy Coordination Amendment Act last year, although I recall that it took some time to pass as the Standing Committee on Legislation took a good look at it and produced a useful report. Some changes were made. That Act gives the Office of Energy wide-ranging powers regarding setting licence terms and conditions. The policy function is clearly retained in the Office of Energy, the annual report of which outlines the aims of Western Australian energy policy. It outlines that the mission of the Office of Energy includes developing and promoting a competitive energy industry, and ensuring community safety and protection in respect of gas and electricity. The office has an important function. We have already ensured that policy will be dealt with outside the operations of AlintaGas.

The second key area of this proposal is the social implications of privatisation. Members who spoke before me have canvassed social implications to a large extent. A key issue to the public is community service obligations. Is it appropriate for such a utility to consider obligations beyond pure economic efficiency? Economic commentators state that imposing a community service obligation on entities or industries reduces their efficiency, which usually relates to financial performance and budgetary issues - that is, dollars and cents. However, when considering a public utility which delivers a service to the community, especially a natural monopoly, one must consider how it affects consumers.

Examination of a couple of different competitive regimes which have been in place for a while indicates that privatisation can have different implications depending upon the sector. I take two instances. People have commented to me that the advent of competition has forced Telstra to work harder. It is providing a better service and meeting standards it may not previously have met. On the other hand, since deregulation and the application of competition to banks, no-one argues that he or she is getting a better personal service from the bank. It may depend on one's level of business, but more complaints are heard than compliments regarding banks.

Community service obligations ensure that people have access to services - in this instance, a gas supply - which they take as their right. It is important to understand that the citizens of Western Australia have come to expect access to energy, clean water and health services. That is regarded as their right as a citizen. Once one enters the privatisation area, people ask: "Will a privatised utility have an obligation to provide me with the same level of service I receive now?" Even corporatisation has an impact. Hon Norm Kelly and I received a letter this morning - I do not know whether other members also received it - referring to pensioner concessions. It is from Mr Lloyd Davies of Waikiki, who will be affected by the potential southern railway, and who is not one of my constituents! He writes -

> Managing our budget on the pension is made easier because of the concessions and discounts we receive on many services provided by government and quasi-government organisations and many private enterprises.
>
> When electricity and gas was supplied by the former *SEC*, pensioners received a discount on their accounts for electricity/gas supply. Since the advent of *Alinta Gas*, that organisation has introduced a new supply charge for gas upon which no pensioner discount applies. . . .
>
> I understand that this issue is the single biggest source of inquiries to AlintaGas.
>
> I have no doubt that a privatised AlintaGas will not consider implementation of a pensioner supply discount and equally, I doubt that the Government has the incentive or will to do so before selling it.

That is an implication of corporatisation. In the process of becoming more efficient in order to compete, AlintaGas has dropped its pensioner concession. That cuts across the community service obligation. Do we have an obligation to ensure that pensioners can access gas at an affordable price? What are the implications? In response to the Assembly report to which I referred earlier, the Government mentioned some areas of community service obligation for which a subsidy is provided. It listed electricity, water and a number of other areas, but not gas. The Government is providing no community service obligations for gas.

Many people point to what happened with the New Zealand company Mercury Energy last year when a huge outage occurred. That was not a privately operated enterprise at the time; it was government operated, but corporatised. The utility

allowed its facility to run down to the point that a couple of cables failed at the same time, and the whole of Auckland was plunged into an electricity crisis. Huge disruption was caused to individuals and organisations. That illustrates that continuity of supply is critical in the energy sector. A community service obligation must be imposed in that regard because contractual relationships do not go far enough to cover any problems that may arise.

Employee issues have been raised previously. Given the extent to which Hon Tom Stephens discussed employee-related issues, I will not refer to them in detail. Members will recall that in the debate on the Dampier-Bunbury natural gas pipeline, I worked hard to ensure that equity in transfer of superannuation arrangements was eventually achieved. It is only fair to recognise that employees may not be transferring their employment at law, but the underlying basis of their employment will change from public sector to private sector employment. It is important that these issues must be addressed before the legislation is passed. It is not good enough to say, "We will get the privatisation underway and then we will see what we can do for you." It must be locked in in advance.

I turn now to accountability issues. I found a fascinating paper in my Internet research from the international body of Auditors General. That organisation studied how to handle accountability in the context of privatisation. It set out what should happen. By the way, Australia is a signatory to this organisation; Australian Auditors General are represented on this committee. Some of the guidelines it has developed relate to the audit institution becoming involved in the privatisation process and closely monitoring what is occurring. I note that the Government has included in this Bill a provision similar to one in the Dampier-Bunbury natural gas pipeline Bill requiring that the Auditor General report to the House on the way in which it was conducted. I suggest that members look at a transcript of the AM report on ABC Radio today on the ETSA Corporation - the South Australian energy company - and what is occurring with its privatisation. It is absolutely vital for us to receive an informed report about what is occurring if the privatisation is to go ahead. I would go further than that and say that we desperately need to see the contract tabled in this Chamber. That was recently accepted as being feasible in the case of the prisons contract and I see no reason why that information should not be made public when the sensitivity of the tender process has been completed. The Auditor General must certify that the tender process has been carried out fairly and we must see the precise terms of the contract. Those are some of the issues that are raised in this interesting discussion paper to which I will be making sure that the Standing Committee on Public Administration has access.

When I balanced all these issues, I found that for all the arguments raised by the Government there were many counterarguments for the privatisation not proceeding. The Government said that this is the ideal time for the privatisation because there will be a two-year period to bed down the new company. That may be true, but why does it need a two-year period to get a competitive advantage before it goes into a competitive regime? That does not make much sense to me. However, I acknowledge also that the Australian Democrats do not necessarily have a deciding vote in this instance. I am sure that the Australian Labor Party will oppose this Bill but there are other people in the Chamber from whom we have not yet heard and all it takes is for somebody to vote with the Government for the second reading stage to be passed. There are a number of matters of detail I want to see handled in committee, if we reach that stage, which in no way weakens our opposition to the Bill as it stands. I have a list of issues that I will be happy to refer to in more detail in a few moments.

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

Hon HELEN HODGSON: There are a number of points that I would want to have addressed further if we were to reach the committee stage on this Bill, even though we will be voting against the second reading. One of those matters is the provisions with regard to the cornerstone investor and the fact that those restrictions will be lifted within two years. I understand that relates to the time frame for the implementation of competition policy, but I would prefer those restrictions to remain in place because otherwise we could end up with what is effectively a totally privately-owned organisation with one major investor that is dominating the gas market in this State.

Another matter that I want to have addressed is the employee issues that are outstanding. It may not be appropriate to legislate for some of these issues, but they should be resolved with the unions in such a way that there is a binding agreement between the Government and the unions about those matters. I also want the legislation to include provision for an employee share acquisition scheme as part of the public float. That matter cannot be left until after the legislation is passed but must be agreed to in principle before that time. I also want the legislation to include a provision in respect of the tabling of the contracts in this place. I disagree with the comments reported in this morning's newspaper from Hon Mark Nevill, who said that he does not believe a public float is the way to go. In spite of my criticisms earlier about whether a public float will realise the best price, it is still the only way to ensure that the mums and dads investors have a say in what is taking place. However, I want the legislation to include protections to ensure that they retain a substantial proportion of the investment, which is why I believe the two-year restriction on shareholdings should be dealt with in a different way.

A further point is accountability, and perhaps the minister can address this matter in his response rather than in committee. I am interested to hear whether there are any loss-leading contracts within AlintaGas which are being altered in the light of the proposed privatisation. Discussions I have had within the last couple of hours suggest that something may be going on in the form of the Government's retaining an involvement in the gas industry by taking on part of the liability for any loss-leading contracts, and that a transfer pricing arrangement may be put in place. I would like to know whether that is rumour or whether there is any substance to it. A similar issue is the point about cross-subsidisation between the sectors that was raised by Hon Tom Stephens earlier. Apart from the relationship between the distribution and retail aspects of the business, I am also interested in the relative pricing policies for the business sector and domestic consumers. Once again, this gets back to the community service obligations. The essential problem is that businesses may be able to negotiate lower prices, but because domestic customers cannot compete in the same sense, the price they will pay for gas may not decrease as a result of the sale, as is predicted, and they may even start to subsidise businesses.

Ultimately, it is clear to me that the public does not want this privatisation to take place. I have asked for details of the feedback to my office, and 85 per cent of people have said that they are not interested in the sale of AlintaGas; and although that may not be statistically reliable and I will be criticised for its accuracy, I take that as a fair indication. Fewer than 20 per cent of people responding to me have said that they would buy shares in AlintaGas.

HON J.A. SCOTT (South Metropolitan) [4.40 pm]: The government line in the second reading speech is basically that this sale process through the Gas Corporation (Business Disposal) Bill is the next logical step in the reform process. No explanation is given of where that logical step fits in or where it is taking us. Is it logical to sell AlintaGas when the future for gas sales is so bright and is likely to provide a very large increase in profits to AlintaGas and in the next five years push up the probable asking price that one could get for AlintaGas because of the huge potential sales in the future as a result of pressures brought about by the greenhouse effect, not only in this State, but worldwide?

The data shows a massive increase in the amount of natural gas that is being used, not merely in Western Australia, but worldwide. The expectation is for a very large upturn. I have asked a number of questions over the past few days on gas buses. The eastern States has made a total commitment to moving in that direction. I believe that more and more motorists will be taking advantage of condensed natural gas. People can now have units in their home garages from which they can fill their gas-powered cars for 12¢ a litre, which is rather cheaper than operating on the currently available petrol or diesel fuels. Furthermore, we will see significant increases in the prices of other fuels which will not be matched by compressed natural gas because of its greater availability.

The minister said in his second reading speech that the recent reforms had led to lower prices. In some cases that is correct; there has been no great increase. I can only say from memory that when the Government first came in the price increased by something like 2 per cent, but the price has been pretty steady since then. That is hardly an argument for selling AlintaGas but a reason that we should be saving AlintaGas. As opposed to the energy reforms in the eastern States where privatisation has occurred, there is not upward pressure on the price of gas in this State. That upward pressure applies to all energy in the eastern States where it has been privatised. The stability of price is therefore a good reason not to sell.

The downside of the reforms is that we are promoting through them the wasteful use of gas in this State. The Bill also provides a basis for disposal, about which I have no particular comment because that is obviously what the Bill is for. The tariff path has been set until 2002 and will be capped thereafter. As I have said, the Government has indicated that gas prices have been incredibly stable, so we are not looking at a change with the capping of prices. Once AlintaGas is privatised, how on earth will the Government cap prices? I do not see in this Bill how it will manage to do that. I would like explained how it will cap the price charged by a private company. I do not think that it will be able to do that. I will be interested to hear from the minister how it will be done.

Another aspect of the Bill is that the company thus formed will be ring-fenced from retail trading. I am a little concerned about this because I believe that by doing it, the company would be prevented from being involved in energy saving services. I would like some clarification about that from the minister because this is a side of energy planning in this State which has been virtually neglected. The obligation to shareholders might cause that to happen anyway because there will not be an incentive to the company to reduce the sales of gas through greater energy efficiencies, as that will not please shareholders of a company which is only able to sell gas and not provide energy services. Ring-fencing is a very silly mistake. I want to understand why on earth the Government is going down this path that would prevent AlintaGas from being involved in energy saving services after it is sold.

The cornerstone investor percentage is 49 per cent, which is in reality a controlling interest. It would be controlled at that level for two years, and after that, if the company did not feel it had sufficient control, it could move beyond that. It is only a two-year period, so it is very likely that the so-called mum and dad investors would have very little say. One of the phenomena that has arisen with mum and dad investors is that they are usually with investment services of various types and have very little say directly in what happens in these companies.

It is intended that the tariff customers will be made customers of the corporate vehicle. I wonder whether this condition is enforceable. What options would tariff customers have? It would seem to be a proposition that would not stand up in the courts. I understand of course that if they have no other option, that is what they will be doing, but it may be a measure because there are no other customers. This newly formed company will be driven by its own needs and, therefore, will use whatever legal ability it has to hold onto its customers.

The Premier seems to be at odds with the Minister for Energy, Hon Colin Barnett. The Premier is reported in an article in *The West Australian* as saying that he ties the rail link to the gas sale; that the proposed sale of AlintaGas is linked to the construction of the $1b railway linking Perth to Mandurah. That is poor form. It is blackmail to say that the only way people in the southern corridor will get a rail service is if the opposition parties support this Bill. We should not link Bills in that way. The Government has told the State four times that the money for the rail line is in the bank. It has been re-announcing the project for years and we have been told of different routes. At one stage reference was made to a route along the freeway, but the emphasis has been on the route that most people along the southern corridor do not really want. I am not excited about the fact that this money might be spent on a rail link which is being built along the wrong route and which is designed to fail in terms of passenger potential.

Hon B.M. Scott: What do you think the route should be?

Hon J.A. SCOTT: It should go straight down the freeway with hybrid rail links to Rockingham creating a network. The concepts that have been put forward by the Department of Transport focus on moving people from Mandurah. The real traffic problems are not caused by people travelling from Mandurah but by people coming off Canning Highway, Marmion

Street and other streets going east-west. We need to get people off those routes to hybrid links that can run into the city up the freeway.

Hon B.M. Scott interjected.

The PRESIDENT: Order! I am not complaining about the interjection, but about the fact that members and the Hansard reporter could not hear it.

Hon J.A. SCOTT: I also did not hear the interjection, so I cannot answer it.

Hon Derrick Tomlinson interjected.

Hon J.A. SCOTT: No-one will drive from Melville to Kenwick to catch a train.

Hon B.M. Scott interjected.

Hon J.A. SCOTT: They will not drive from Melville to Jandakot; they will drive up the freeway.

Several members interjected.

Hon J.A. SCOTT: I will have an opportunity to refer to that in debate on another Bill. I would rather concentrate on the Bill before the House.

The Greens (WA) will oppose this Bill. Our main concern is the lack of any strategic energy use policy. Energy resources are finite and critical and we must plan how we will use them. The Government's only policy seems to be to flog them off as quickly as possible to make a quick buck now at the expense of the future and the environment. Hon Norman Moore might find that amusing, but I would like him to tell me about the Government's energy policy.

Hon N.F. Moore: I was not laughing at your fantastic speech. I was laughing at something someone gave me.

Hon J.A. SCOTT: The reality is that this Government has no strategic energy use policy. I discussed this with officers from the Department of Resources Development and they wondered what the hell I was talking about.

Hon Colin Barnett, Minister for Resources Development, predicts that Australia will soon play host to a number of foreign heavy industries keen to take advantage of the country's extensive natural gas reserves. There is a huge push to get gas into Oakajee. An article in *The West Australian* states -

> WA TAXPAYERS could face a pipeline construction bill of hundreds of millions of dollars after AlintaGas ignored advice from State Treasury and offered a gas supply to a prospective steel producer.
>
> State Under Treasurer John Langoulant told AlintaGas last week that the offer could make the State liable for Australia's biggest gas supply contract. He warned it was against the State's interests.
>
> The contract cannot be met with existing pipeline assets.
>
> According to Mr Langoulant's advice, if the offer was accepted, the State might be forced to accept liability for the cost associated with delivering the gas - which would involve construction of new pipeline facilities.
>
> That could cost up to $500 million.
>
> Mr Langoulant, the State's highest ranking management public servant, was also concerned existing AlintaGas customers could demand a similar good deal.

It appears that the Government is constantly pushing for more and more high energy using industries in this State simply because we currently have a good supply of gas in the north west.

The Greens (WA) are concerned that this is not an efficient use of our resources. Going along the competitive path is all very well if those resources are used efficiently. However, there are no incentives in this Bill or any of the other Bills dealing with gas sales in this State. This Government must start thinking about the future and strategic energy use policies to ensure that we use our energy in the best possible interests of the people of this State. The goal should not be to make a quick buck by setting up glamorous heavy industries. Our energy resources should be used in a way that is most beneficial to everyone in this State.

The sale of AlintaGas only exacerbates the Government's failure to develop a strategic energy use policy. No thought has been given to ensuring that future expansion minimises the impact on our resources. In fact, demand-side management is an exotic concept in Western Australia. It is part of the structure of any business and energy planning in other countries and even in other States of Australia; although Australian States are not a good example to cite when referring to this type of forward thinking.

Reference is made to competitiveness and privatisation providing a better deal for Western Australian consumers. That should be considered very carefully. Members should look at what has happened in the eastern States. In the battle to gain control of energy resources, many companies have paid far too much for their assets. Some of them are now struggling to survive. They now have very little money to put into the upkeep of infrastructure or expansion of facilities. The talk is always about increasing the price of energy for household consumers, and that is particularly true in Victoria. A good example in Western Australia relates to private gas suppliers of liquefied petroleum gases. Wesfarmers Limited has been examined by the Australian Competition and Consumer Commission. I refer to an article in *The West Australian* on 8 September 1999, entitled "ACCC probes LPG pricing policy", which states -

> Australia's consumer watchdog is investigating whether WA's two biggest liquefied petroleum gas suppliers are stifling competition, resulting in high LPG prices . . .
>
> ACCC WA regional director Stuart Smith said the price difference between Perth and the eastern States cities was too significant to be explained by the difference in market size.
>
> "The ACCC's preliminary view is that current prices in Perth appear to reflect lack of competition," he said.
>
> Wesfarmers LPG and BP account for almost the entire production of LPG for WA's domestic market. Wesfarmers subsidiary Kleenheat plays a central role in the distribution of LPG from producers to wholesalers.

With the sale of AlintaGas, we are setting up pretty well the same situation as that which exists for LPG; yet the people using LPG in this State have been ripped off. Although the product is sent from here to the eastern States, people in Western Australia who use it are charged twice as much as their counterparts in the eastern States. I have no confidence in the statement that a private operation will provide us with cheaper energy.

Nothing in the series of Bills for gas reform deals with the massive problem of greenhouse gas production. This Government is probably the most irresponsible of all State Governments in that regard. We are set to have burgeoning levels of greenhouse gas, yet we are endeavouring to get out of our responsibilities. The Minister for Energy, the member for Cottesloe, has tried to get this State's greenhouse gas responsibilities reduced. He says that because we produce this energy and it is not burnt here, we should not have the greenhouse gas limits that have been imposed. It does not take a very close investigation to show that Western Australia has been allowed to have an increase in greenhouse gases. However, there is no attempt by the State Government to keep to the increased levels - none whatsoever. The Government has been tardy in coming forward with the real figures; however, it is expected that instead of an increase of 8 per cent in the time allowed, the increase will be 200 per cent, or more. There is almost no chance of our sticking to our targets. It is a pretty irresponsible attitude when we hear the foremost authority on greenhouse gas emission, an institute set up in the United Kingdom, saying that in the next 50 years, the Amazon forests will disappear and a whole range of islands to our north, some of Australia's neighbours, will be flooded. We will have 140 million refugees as a result of rising water levels in places such as Bangladesh. If we think we have a problem with people getting into the country illegally at the moment, we should just wait until that happens.

This State is being irresponsible. Under this legislation, we are about to sell more gas. This issue is not just about competition; it should also be about efficient use of our resources. We are ripping off not only the rest of the world, but also future generations of Australians in our rapid and wasteful use of energy.

Hon B.K. Donaldson: Do you think there should be more atomic power stations?

Hon J.A. SCOTT: I do not think Hon Bruce Donaldson heard me. I said "efficient use of energy". For each unit of electricity the Japanese produce four times as much income as we do in Australia.

Hon Simon O'Brien: How do they produce their energy?

Hon J.A. SCOTT: It does not matter how they produce their energy. The point is that for each unit of energy they produce, they receive four times the income we do in Australia because they use it efficiently.

Hon Ken Travers: They will make themselves extinct on that side, as did the dinosaurs before them.

Hon J.A. SCOTT: Yes. There are a range of measures by which we can use energy more efficiently. I know Japan uses nuclear energy because a very big accident recently occurred in one of the reactors where many people were badly affected.

Hon Simon O'Brien: In one gasp you do not want nuclear energy -

Hon J.A. SCOTT: I did not bring up nuclear energy; Hon Bruce Donaldson and Hon Simon O'Brien did.

Hon Simon O'Brien: No I did not; you used it as a great example in response to Hon Bruce Donaldson.

Hon J.A. SCOTT: Hon Simon O'Brien seems unable to grasp the point. The point is, I am not saying what Hon Bruce Donaldson says; I am saying we must go in the direction of using energy more efficiently. The great advantages of using energy efficiently are exemplified by some of the big energy companies in the United States, which are now making more money selling energy saving services than from the sale of energy. The energy efficiencies in this State do not even touch that. We think it is terrible because we have all this gas and coal to burn up. Not only is more income to be made from selling those technologies that create energy savings, but also for every dollar spent on those industries four times as many jobs are created than through the provision of energy. We are ripping off this country and the future by the direction we are taking.

The idea that competition will solve everything is utter nonsense. Competition is fine, but many other measures must also be in place. We should not be simply unleashing competition. The world heavyweight champion should not be put in the ring with a kindergarten child. Alternatives should be in place so that competition can operate fairly. If the proper mechanisms were in place to help reduce greenhouse emissions in this State, for instance carbon taxes, coal - one of the worst greenhouse producers - would be more restricted in the market. The performance of AlintaGas would be much better than it is at present.

Energy prices generally, liquid natural gas in particular, are set to rise dramatically in the next five to 10 years. Therefore, it is not a good time to sell if we want to maximise the return to Western Australia or maintain stable energy prices for consumers. More than ever, this is the time to be retaining AlintaGas.

The Greens (WA) believe that the State Government has a responsibility to ensure the long-term supply and efficient use of energy and energy resources in this State, and that our energy resources should be used for the maximum benefit of the people of Western Australia and therefore be used a way that minimises the production of greenhouse gases. While the Government has control of AlintaGas it has the ability to make innovative changes to benefit the wider community, such as those sorts of technologies and energy saving systems and services that I was just talking about. These things are being done privately in Western Australia at the moment. I was looking through my files half an hour ago and noted that a poultry farm had introduced these sorts of techniques. I cannot remember if the article was referring to Western Australia or to Australia, but it stated that poultry farmers could save something like $20m a year. This is a real saving and benefit to those people. It is not a drain on the economy.

I reiterate that the provision of energy saving services has three real benefits: It will lower greenhouse gas production, create four times as many jobs for the same amount of investment as is required to provide energy, and leave future generations with some petroleum products after we disappear off this planet. Members opposite do not seem to give any thought to the future in this regard.

Hon B.K. Donaldson: Do you want to close down AlintaGas and the pipeline?

Hon J.A. SCOTT: No. I will repeat this again: We need AlintaGas to work on providing energy saving services that can make more money than selling gas. I do not know how many times I have to say that. It happens around the world. Furthermore, if we do not do it, how on earth will we be able to start those new industries that we want to start in this State? Western Australia will have so many restrictions placed on it because of its overproduction of greenhouse gases, particularly when we bring into play the oilfields or gas fields like Gorgon, which will produce more CO_2 than the whole of New Zealand in each year of production. That will blow us out of the water in terms of greenhouse gas production, unless we can find ways to solve that.

Hon N.F. Moore: Do you acknowledge that the people who will use it will reduce their greenhouse gas production?

The PRESIDENT: Order! The Bill before us is the Gas Corporation (Business Disposal) Bill. The main objective of the Bill is to provide the Government with authority to dispose of an existing business sometimes referred to as AlintaGas. It is not a Bill on greenhouse effects. I mention that because some interjections have caused Hon Jim Scott to move into areas not necessarily relevant to the Bill before the House.

Hon J.A. SCOTT: That is probably partly my fault because the Greens say that they are not prepared to support a Bill of this type unless it contains measures not only to deal with the competitive nature of gas sales by privatising and creating more competition, but also to counteract the wasteful use of energy. The Government has a responsibility to ensure this happens. Unless it has some control, and a strategic energy-use policy through which it can gain that control, it cannot make those responsible changes that we need to make. Anybody who has eyes to see or ears to hear will know that the greatest problem that will face this State or the world is the effects of the wasteful use of energy - that is, greenhouse gas production. Therefore, there is a real link between what should be in this Bill but is not, or, rather, what should be in this package of Bills, because this Bill is part of a package which is designed to bring about reform of the energy industry in this State. As I said, until the Government addresses these problems, the Greens (WA) will not contemplate the sale of our energy utilities.

Hon Simon O'Brien: You would not contemplate it anyway, would you?

Hon J.A. SCOTT: If the Government put in place a package that dealt with these issues, we would be interested, because I believe it would be worth the exercise.

Hon Ray Halligan: So you are not against the principle of privatisation as such?

Hon J.A. SCOTT: One of the first things I said was that we should have some strategic control over our energy resources so that they are not wastefully used in the future, because that is a vital issue.

Hon Ray Halligan: That is the issue, not who uses the resources, whether it be a public or private operator.

Hon J.A. SCOTT: We must ensure that in the future this State will have proper supplies going to strategic industry areas so that energy is not wastefully used. Some industries use massive amounts of energy, and we must think twice before encouraging those types of industries in this State. That is my point about having an energy-use policy. We should be trying to ascertain the types of industries we want in this State as we move into the next century. Some of our neighbours will be drowned because of various industries. Unless we have a strategic energy-use policy to go with the sale of AlintaGas, we will lose complete control of energy use in this State.

Hon Ray Halligan: Of course, in this instance we are not talking about the industry as such, but the supplier to that industry.

Hon J.A. SCOTT: That is right. However, interlinked with that is the fact that the Government can encourage some industries and not encourage others. We can move in a direction so that greater encouragement is given to those industries which are more energy efficient and which do not require as much energy. If that approach had been combined with this Bill, it would have been more attractive to the Greens, rather than the Bill just saying that more competition is good. This sale will not bring about more competition, because it will just change the ownership from a state-owned monopoly to a privately-owned monopoly.

We believe that the work force should not suffer in any way because of the sale of AlintaGas. The Greens will oppose the sale of AlintaGas while employees are likely to suffer a loss as a result. The Labor Party is correct when it says that the community is getting fed up with the sale of government assets. It is concerned about what will happen to the funds that are

generated from those sales. It is also concerned that we are selling off the farm. That is the feeling in the community. An article in the business section of *The West Australian* of 19 July 1999 headed "Utilities put Australia on top in sell-off stakes" states -

> Sell-off activity in the utility sector gave Australia the world crown for privatisations in the six months to June 30.

It continues -

> The Victoria's energy operations led the way with the sale of Ikon Energy-Multinet Gas for almost $2 billion, Energy 21-Stratus for $1.7 billion, Kinetik Energy-Westar for $1.6 billion and Transmission Pipelines Australia for more than $1 billion. Thomson said the 10 utility sector were valued at $6.9 billion in the six months.

We all know what has happened to the Kennett Government since then. Part of the reason he has disappeared is that people are concerned about privatisation. That is particularly the case in rural areas, where people are very concerned that they will not be better off after this has happened. They also realise that with the sale of utilities to private companies, country areas are most likely to suffer. Private companies cannot afford to be nicer to country people, and services will be more expensive because it costs more to install transmission lines, gas pipelines and so on.

Hon Ray Halligan: The private ownership in the United States appears to be working fairly well.

Hon J.A. SCOTT: I have not examined the situation in the United States, but it is starting to run into problems with wasteful energy use. Some of the energy companies in that country, on the other hand, are leading the world in energy saving techniques. Overall only one country uses more energy per capita than Australia, and that is the United States. As a result, it is by far the largest producer of greenhouse gases. It is a real problem.

The community is clearly concerned and it would be silly for the Government to deny that concern. The Greens (WA) cannot support this Bill because it fails to demonstrate any tangible benefits to the people of Western Australia. At the same time, the State will lose further control over a vital strategic resource, which will probably go to a foreign company. The Greens (WA) will not support the sale of AlintaGas. If the Government were to be rather more innovative and put AlintaGas into a position in which it became a leader in providing energy services and put in place structures to be followed by any new buyers, the Greens would certainly be interested in the sale proposition. However, the Government's proposal to ring fence its activities means this company will not be able to get into the retail side of the business. I hope the minister will be able to explain that. The company will deal only with the sale of more gas at the end of the day, and it will not be allowed to get into these direct services. For that reason, the ring fencing could be a mistake. Until the Government demonstrates that it is serious about tackling these problems, we shall be in real trouble. The biggest single problem on the planet at the moment is greenhouse gas emissions and we need to tackle that problem. It cannot be tackled if the Government does not have strategic control of energy resources and if there is only a competitive system in place, which would be the case if AlintaGas were sold in a ring fence situation.

Hon Ray Halligan: If we continue to own AlintaGas, are you suggesting we should restrict sales?

Hon J.A. SCOTT: No, we should be selling energy saving services, as happens in the United States.

Hon M.D. Nixon: Sold by a private company.

Hon J.A. SCOTT: Yes.

Hon M.D. Nixon: There you are.

Hon J.A. SCOTT: They are not ring fenced so it is not a question of "there you are". They will not be allowed to do that under this Bill. The way in which the Government has structured it prevents that from happening. We know that we will see more energy use and little being done to bring about efficient use of that energy and to reduce greenhouse gases, so we cannot support the Bill.

Debate adjourned, on motion by Hon Bruce Donaldson.

RAILWAY (NORTHERN AND SOUTHERN URBAN EXTENSIONS) BILL 1999

Second Reading

Resumed from 10 November.

HON KEN TRAVERS (North Metropolitan) [5.25 pm]: I am the first speaker, not the lead speaker, for the Labor Party, and I am not sure whether our lead speaker will take up the option. The Labor Party will be supporting this Bill. It is pleased to see a conservative Government finally bringing something before the Parliament and showing some action on building railways. Its track record on building railways in the recent past has been fairly slow; in fact, its greater record has been to close them.

The northern and southern suburbs urban extensions are covered by this Bill. As a member for the North Metropolitan Region, I am pleased that the extension from Currambine to Butler is contained in this Bill. I have been waiting for that for a long time. The Government promised that at the last state election and it is now well overdue in meeting the expectations of the people in the northern suburbs, especially those in the Clarkson and Merriwa areas. We should not allow any further development along the northern corridor unless infrastructure, such as the railway, is in place.

The southern urban extension deals with the railway line that will eventually go through to Mandurah. A number of points

must be made on behalf of the Labor Party. We note that it does not include the Kenwick-Jandakot link, because that is already part of an existing railway reserve. However, the current Labor position, which we have articulated many times, is that although we support the line going through to Jandakot, we have not supported the Kenwick-Jandakot link in the past. It is important that this railway line project get up and running. We will be supporting this Bill, so the Government can get on with the job of developing the railway line. Obviously, if the Government has not started the construction prior to the next election, we may seek to revisit this issue depending on its net effect and how far advanced it is. The other point we must note in this legislation is that the proposed rail line does not go through the centre of Rockingham. Again, even as a member of the northern suburbs, I am well aware of the views of the Rockingham community, as expressed through the city council -

Hon B.M. Scott: That decision has not been made. That is the only part that has not been determined.

Hon KEN TRAVERS: However, this Bill does not include it.

Hon M.J. Criddle: Yes, it does allow for it.

Hon Tom Stephens: Where is that spelt out in the Bill?

The PRESIDENT: Order! Members should let Hon Ken Travers have his say.

Hon KEN TRAVERS: If that is correct, I look forward to the minister's response making it very clear that the Government is still consulting with the community of Rockingham and that it is still considering the option of taking the railway line into the centre of Rockingham. As someone who spends a lot of time in Joondalup, which has the benefit of a railway line going through the centre of the central business district, I think it is important, if we are to seriously develop our urban regional centres, that they be linked to an efficient and effective public transport system. We support this Bill. We are pleased that the Government has finally brought this legislation into the House. We hope it is a sign that the construction of the railway line is imminent. It is ironic that this Bill follows immediately after the previous Bill, which deals with the sale of AlintaGas. We have made it very clear that we believe the Government should build this railway line regardless of whether it is successful in flogging off income-producing assets.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [5.31 pm]: The Labor Opposition will await with great interest an explanation from the Government as to how it proposes to handle the detail that was referred to in the contribution by Hon Ken Travers to this debate on the Railway (Northern and Southern Urban Extensions) Bill; that is, the impact upon this legislation of the route that will be drawn up for providing rail services to people in the centre of Rockingham.

Hon Simon O'Brien: Clause 4, subclause (2).

Hon TOM STEPHENS: I look forward to that explanation from the minister. I hope he has not managed to hoodwink -

Hon Simon O'Brien: You do not believe the member?

Hon TOM STEPHENS: Government members are too readily hoodwinked by their Cabinet into all sorts of hair brained and clapped-out strategies. I hope this is not another one. In reference to the Kenwick-Jandakot line, it is true that the Labor Opposition has not yet committed its support for that option, but we are particularly keen to see how the Government proposes to tackle the issue of Rockingham, and I look forward to an explanation from the minister.

HON B.M. SCOTT (South Metropolitan) [5.32 pm]: The Railway (Northern and Southern Urban Extensions) Bill is an important enabling Bill and forms an essential part of legislation to authorise the construction of this railway. It indicates the commitment by this Government to the extension of the rail line from Kenwick to Rockingham and to the extension of the Perth to Joondalup railway from Currambine to Butler. My interest as a member for South Metropolitan Region is in the extension of the rail line from Kenwick to Mandurah. This Bill provides the necessary authority to construct that railway, and all necessary, proper and usual works and facilities in connection with the railway may be constructed and maintained along the lines as described in schedules 1 and 2.

I have been given the responsibility and privilege as the local member of conducting thorough consultation with the Rockingham people about the rail connection to Rockingham. It may not be common knowledge in the public arena, but it is common knowledge in that region that every part of that line has been planned in detail, with the exception of the link into Rockingham. The people of Rockingham were given three options to study and consider. Those options were detailed in a brochure that was put together for the task force that I was asked to chair. I selected the members of the task force to deliberate, and we have been doing that on a weekly basis. The master planning group looked at about 20 options for the connection to Rockingham and determined that three options would be presented to the people of Rockingham to consider. In brief, those three options were: A long tunnel option which ran under the city and Anniversary Park; a short tunnel option which ran via the city centre; and a direct route which would go along the side of Rockingham. Our findings will shortly be delivered in a report to the Minister for Transport. They give a clear indication of where the people of Rockingham want the rail line. There has been a determination to have a rail link in that region for some 50 years. No other Government has made such a commitment and this enabling Bill shows the determination and commitment of the Government.

Hon Tom Stephens: Bills are cheap, member.

Hon B.M. SCOTT: It is a commitment made in this place. It is a public commitment, Hon Tom Stephens, and should be taken in the spirit in which it is intended. This is the necessary part of the furthering of the planning and implementation.

I report to the House that there is a high level of understanding in the Rockingham region of this rail link and the options

which were available. We were overwhelmed by the number of people who responded to the options paper. Over 8 000 respondents put in written submissions. That has meant a lot of work. I have had the task force working on weekends and most Mondays or Fridays to deal with the amount of work. It has been a good consultation process. We offered the opportunity for people to make oral or written submissions and over 500 people wanted to meet the task force personally. It has been an extensive consultation process. The people of Rockingham clearly want the rail link to the city centre but the final decision is up to Cabinet and the minister. However, I thoroughly support this Bill. It is indicative of a Government committed to public transport.

HON NORM KELLY (East Metropolitan) [5.37 pm]: Before I comment directly on the Bill, I will make a comment about the order of business today. Unfortunately we still do not seem to have any form of system of organising our order of business; it seems that it is still falling down. When the Leader of the House moved the orders of the day to be taken today, there was no consultation about how we would progress through other Bills. I was then advised that it looked like we would be debating this Bill at some later stage of the day. I only received my briefing on this Bill on Monday and I have not been able to fully research everything that I would have liked to. I realise that with the Labor Party's support, this Bill will be passed. However, it makes it awkward for me to give the Democrats' position on this legislation as well as I would like.

I will move on to the two matters before us in this Bill, the first of which is the Currambine-Butler extension of the Joondalup rail line. We are being asked to give the Government approval to undertake contracts for that extension prior to seeing the draft master plan for it. I understand the master plan is currently with the Minister for Transport and that at this stage he has not taken it to Cabinet, yet the Parliament is being asked to approve that extension anyway. It seems to be a strange way of going about things. I would like the minister's comment about when that draft master plan will go before Cabinet and when the public will have an opportunity to look at it. However, the Democrats support that extension to the rail network.

We understand that the route has not yet been finalised for the proposed extension north of Lukin Drive. There is the option for it to go further west of the freeway reserve, which is an eminently suitable position because the railway will be almost bounded on one side by a national park and by residential suburbs on the other. Of course, a good public transport system should go through the centre of residential areas so that it is completely surrounded by them. However, the proposal in the Bill is a practical solution to utilise the current transport reserves.

I do not have the map with me, but the railcar yards which will be part of this extension were originally proposed to have an impact on the Neerabup National Park further south than the present proposed location. The new proposal is an improvement because it will have less impact on the national park and because the practicalities of its use for the railway are not affected. It has only positive benefits for the impact on that national park. Of course, it is not definite at this stage. The reservation for the railcar depot is still subject to an amendment of the metropolitan region scheme, which is currently out for public submissions. I would expect from most of the comments that I have heard that such an amendment would go through without too much trouble.

I move on to the south west metropolitan rail extension. When I was first briefed on this Bill, after the release of the draft master plan in March or so of this year, I had put to me the original three options for this rail extension. One was extending the Perth-Fremantle rail line to Rockingham and Mandurah. I understand this to be the Australian Labor Party's preferred option for the location of a railway line. It would better serve existing suburbs, such as Spearwood, Hamilton Hill and the like, which are bypassed by the Government's route. It is difficult to install rail networks in areas that have already been developed because it is difficult to get reservations. The Government has proposed that the rail line go straight down the freeway for a good section of this extension. Once again, it is good logic to utilise transport corridors. It also facilitates the development of those areas close to the freeway which are ever expanding in the southern suburbs, particularly in the marginal seat areas, such as Southern River and the like. The overall plan for the rail line does not indicate any favouritism based on political seats. This will benefit the people of Perth, irrespective of their voting patterns.

Hon B.M. Scott: That is what good government does; it looks at the long-term benefit for the public good.

Hon NORM KELLY: That is right. I know some comments were made when the plan was released as to whom it might or might not favour, but it is a very good proposal.

The third option which was considered was to put the railway straight down the Kwinana Freeway. Because costings for this option are not included in the master plan which concentrates on the Government's preferred option, I do not have the figures which indicate the cost to put a railway down the Kwinana Freeway. That option would necessitate an underground rail link from Perth or West Perth running under Kings Park across the Narrows Bridge. The option would possibly, although not necessarily, need to run under some sections of the Kwinana Freeway.

However, I was surprised by the information provided by the Department of Transport on the three options. A leaflet provided with the release of the master plan stated that the route to Perth via Kenwick from the Thomsons Lake regional centre at Jandakot was selected after the investigation revealed that it would have the greatest number of passengers, the shortest distance and travel time, the least cost, and the best level of service of all the proposed routes. I find it hard to understand how the route selected by the Government has the shortest distance and travel time; that is travelling from Perth to Kenwick and out to Jandakot and Thomsons Lake, rather than heading straight down the Kwinana Freeway. It makes no sense.

Hon Simon O'Brien interjected.

Hon NORM KELLY: It does not state that. It may be shorter than the Fremantle option, but that option is not being circulated by the Government. The literature is misleading as it refers to it having the shortest travel time and distance of the three options, which is not the case.

Travel time is of the essence when considering how well the rail route will be utilised. The travel time from Mandurah to Perth is estimated to be 60 minutes once the line is fully developed, which is similar to the travel time by car. We must ensure that we do not slow up the freeway so people will utilise rail, and that people see rail as the alternative rapid transit into the city. I am not sure whether this proposal by the Government necessarily facilitates that view.

As Hon Barbara Scott said, the Rockingham option is being widely canvassed in the community. As I am not a local member, I am not entirely aware of the proposals involved. Nevertheless, I know some strong comments have been made by the local council representatives, and that a strong feeling is evident that the rail link should be straight up to Fremantle. People relate to Fremantle as a regional centre for the area. That is the strong view of a percentage of the community -

Hon B.M. Scott: That is not what was indicated in a survey of 9 000 respondents.

Hon NORM KELLY: As I indicated, I am not knowledgeable about the detail of those options. However, I know from letters I have received that the Fremantle connection has a level of support. The Government is proposing a bus connection, but the privatisation of bus services in that area has resulted in complaints that places like Baldivis are missing out already.

Hon M.J. Criddle: You'd better justify that.

Hon NORM KELLY: If I had had more time to prepare for this speech, I am sure I would have been able to do so. I might have to come back to the minister on that point next week. It would have been far better to look at a light rail option over the Narrows Bridge to service those inner southern suburbs.

Hon B.M. Scott: Are you referring to light rail?

Hon NORM KELLY: Yes. That would better service the southern suburbs that will be impacted upon negatively as a result of the building of the second Narrows Bridge. The second bridge will attract extra traffic to the roads in those suburbs. It is not simply a matter of more cars using the freeway but more cars using suburbs such as Como, which has already experienced an increase in traffic density and which is having difficulty coping.

Hon Derrick Tomlinson: Have you talked to the people in Como about putting a railway line down the middle of the freeway?

Hon NORM KELLY: Yes, I certainly have.

Hon Derrick Tomlinson: And they support it?

Hon NORM KELLY: Some do and some do not. The people I talk to in Como do not enjoy the delays they experience when trying to get onto the main feeder roads. They are caught up with excessive traffic in those areas. They must use Labouchere Road because Kwinana Freeway is at a standstill.

Hon Derrick Tomlinson: So they would catch the train instead.

Hon NORM KELLY: They would if they had the option. A Department of Transport study conducted this year or last year showed that if people are provided with options they will utilise them. A week or two ago in this place I said that the Government should extend the central area transit service into suburbs such as South Perth, Victoria Park and Subiaco so that fewer passenger vehicles use the freeway and the Narrows Bridge.

Hon B.M. Scott: That is fine, but we are talking about a light rail line.

Hon NORM KELLY: That is correct, but Hon Derrick Tomlinson diverted me.

If the emphasis is on the line from Kenwick, utilising a freight line, and then onto the freeway, the other rail network servicing the southern suburbs should not be neglected. I looked at Gosnells station last week and it is in a terrible position. The distance between the bus terminus and the station is a couple of hundred metres. That is very inefficient and dangerous. I understand that the Department of Transport is looking to relocate that station, and I encourage the department to carry out that plan. A coordinated train station and bus terminus arrangement at that location will lead to increased usage.

It is interesting to note that eight stations on the northern suburbs railway network serve about 40 to 60 per cent of the passengers in the urban network. The other 45 stations carry the rest of the passengers. With proper planning, we will maximise passenger usage of these rail networks. The south western metropolitan railway will also add to the successes that the northern rail has had. Of course, we must also look at the time line for the completion of this railway line. I would like to hear the minister's comments about when the people of Western Australia can look forward to this railway line being built. As I said, although we did not appreciate the way in which the Bill was brought on for debate, the Australian Democrats will support it.

HON J.A. SCOTT (South Metropolitan) [5.54 pm]: The Greens (WA) will be opposing this Bill. Like the Democrats, we have serious concerns about the southern rail link and the route chosen for it. We believe that the planning for the link has been totally inadequate and will not solve the major traffic problems suffered by the City of Perth, which problems could have been solved if a proper system had been planned to take traffic off the southern corridor roads.

I apologise to the Minister for Transport as I will not finish speaking by six o'clock tonight.

The interjector who talked about whether people in Rockingham and elsewhere support this particular route forgets that a major study of the south west transport problem, with participation from huge numbers of people, was conducted by a previous Government. The study inquired into the best possible route for moving people from the southern corridor and

surrounding areas to Perth, including a link to Mandurah. I believe it was the then Labor Government in 1990 which instituted that two-year study and I am aware of 11 reports produced by that study's committee. I attended many of the community meetings before I became a member of this place. There was a strong commitment to link Fremantle to Rockingham for a number of reasons. One of the most significant reasons related to the traditional linkage between those cities. Many people from south of Fremantle like to travel into Fremantle for entertainment or to visit a restaurant or whatever, as Fremantle is a good place in which to relax or to visit in the evenings. There was great concern about the proposal that was put forward by the following Government, as opposed to the one that we are looking at now, as it took a route through Kenwick and would have broken down the traditional linkages between the cities in the south west corridor. Furthermore, the Rockingham community was concerned about altering its image from sitting on the edge of an industrial area to becoming a tourist attraction, as the previous Government wanted to promote tourism in Rockingham.

The effect of breaking the link with Fremantle by taking the rail route another way towards Rockingham would be severe, as Fremantle is one of the most popular tourist spots in the State. When tourists visit Fremantle by train they suddenly find that they are at the end of the line and there is nowhere else to go. People do not want to get onto buses and travel down to Rockingham to visit Penguin Island or wherever; they would prefer to continue by rail and make the connection in that way. There is therefore a large concern in Rockingham about the tourism effect. At the Fremantle end, this particular proposal spells disaster for Fremantle recreational industries. It will mean that Rockingham, and areas south of Rockingham, will be linked eventually directly to Northbridge. Instead of travelling to Fremantle, people will travel on to Northbridge because those people who want to have a few wines with dinner and so on will not want to get off a train and board a bus; they will prefer to board a nearby train. People will travel by train to Northbridge rather than by bus to Fremantle.

These are real concerns. Most traffic from Rockingham does not travel all the way to Fremantle. Much of it goes to Cockburn and the Kwinana strip. Part of the argument that the Government has been putting forward for that route shows that it is not about dealing with the major traffic problems in the city and people using rail, but is about providing a fast link to Mandurah. It is not about getting people out of their cars, which is a terrible shame. With this route, we will not see people stop using their cars, as should happen. I can detail that, but because I am about to run out of time within which to speak on this occasion, I will leave my comments until the Parliament resumes next week.

Debate adjourned, pursuant to standing orders.

APPROPRIATION (CONSOLIDATED FUND) BILL (No. 3) 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Max Evans (Minister for Finance), read a first time.

Second Reading

HON MAX EVANS (North Metropolitan - Minister for Finance) [6.01 pm]: I move -

That the Bill be now read a second time.

This Bill seeks to appropriate out of the consolidated fund the sum of $247 281 850.40 for recurrent payments made during the financial year ended 30 June 1998, for purposes and services detailed in schedule 1 of the Bill, and the sum of $348 154 996 for recurrent payments made during the financial year ended 30 June 1999, for purposes and services detailed in schedule 2 of the Bill. The payments, which were of an extraordinary and unforeseen nature, were made under authority of the Treasurer's Advance Authorization Act 1997 and the Treasurer's Advance Authorization Act 1998 and charged to the consolidated fund under authority of section 28 of the Financial Administration and Audit Act 1985. These payments reflect excess expenditures against appropriations, and expenditures for which there were no appropriations during 1997-98 and 1998-99.

In 1997-98, recurrent expenditure transactions amounted to $6 860.5m, a net decrease of $63.1m from the 1997-98 budget estimate of $6 923.6m. The unforeseen expenditure appropriation of $247.3m sought in this Bill was offset by underspendings of $273.8m against other votes and lower expenditure of $36.5m authorised by other statutes. In 1998-99, recurrent expenditure transactions amounted to $6 967.7m, a net increase of $291.8m from the 1998-99 budget estimate of $6 675.9m. The unforeseen expenditure appropriation of $348.1m sought in this Bill and higher expenditure of $43.2m authorised by other statutes was offset by underspendings of $99.5m against other votes. As underspendings against other votes cannot be netted against excesses or new items approved under the Treasurer's Advance Authorization Act, parliamentary authorisation is required for each vote where expenditure exceeds appropriation or for a new item. I commend the Bill to the House.

Debate adjourned, on motion by Hon E.R.J. Dermer.

APPROPRIATION (CONSOLIDATED FUND) BILL (No. 4) 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Max Evans (Minister for Finance), read a first time.

Second Reading

HON MAX EVANS (North Metropolitan - Minister for Finance) [6.03 pm]: I move -

That the Bill be now read a second time.

This Bill seeks to appropriate out of the consolidated fund the sum of $270 617 088.24 for capital payments made for the

financial year ended 30 June 1998 for purposes and services detailed in schedule 1 of the Bill, and the sum of $24 316 297.25 for capital payments made during the financial year ended 30 June 1999 for purposes and services detailed in schedule 2 of the Bill.

These payments, which were of an extraordinary and unforeseen nature, were made under the authority of the Treasurer's Advance Authorization Act 1997 and the Treasurer's Advance Authorization Act 1998 and charged to the consolidated fund under authority of section 28 of the Financial Administration and Audit Act. These payments reflect excess expenditures against appropriations and expenditures for which no appropriation was made during 1997-98 and 1998-99.

In 1997-98 capital expenditure transactions amounted to $1 444.5m, which was a net increase of $963.3m from the 1997-98 budget estimate of $481.2m. The unforeseen expenditure appropriation of $270.6m sought in this Bill, and increased expenditure of $721.6m authorised by other statutes, was offset by underspending of $28.9m against other votes. In 1998-99 capital expenditure transactions amounted to $485.9m, which was a net decrease of $47.5m from the 1998-99 budget estimate of $533.3m. The unforeseen expenditure appropriation of $24.3m sought in this Bill was offset by underspendings of $44.4m against other votes and lower expenditure of $27.4m authorised by other statutes.

As underspending against other votes cannot be netted against excesses or new items approved under the Treasurer's Advance Authorization Act, parliamentary authorisation is required for each vote where expenditure exceeds appropriation or for a new item. I commend the Bill to the House.

Debate adjourned, on motion by Hon E.R.J. Dermer.

AGRICULTURAL AND VETERINARY CHEMICALS (WESTERN AUSTRALIA) AMENDMENT BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon M.J. Criddle (Minister for Transport), read a first time.

Second Reading

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [6.05 pm]: I move -

That the Bill be now read a second time.

The Agricultural and Veterinary Chemicals (Western Australia) Act is the enabling legislation which brings into force in this State the Commonwealth's Agricultural and Veterinary Chemicals Code Act 1994 and associated regulations. It is the means by which agricultural and veterinary chemicals are registered for use in Western Australia and was the mechanism adopted to achieve national uniformity in the import, manufacture, registration and supply of agricultural and veterinary chemicals.

An inconsistency has been recognised through which certain veterinary chemicals and some veterinary preparations added to feedstuffs are exempt from the control of the Agricultural and Veterinary Chemicals Code Act. This means that controls that are intended to apply nationwide cannot be applied in Western Australia because of these exemptions.

The amendment Bill now before the House is a simple piece of legislation to rectify the inconsistency but is extremely important. In the current situation, the national registration authority has no control in Western Australia over the supply of some veterinary chemicals including hormonal growth promotants. This lack of controls include the inability to enforce record keeping of the final destination of hormonal growth promotants. It is necessary to ensure uniform national controls over the supply and use of these products in order to meet the standards set by important international meat markets.

Additionally, animal feeding stuffs, including medicated animal feeding stuffs, are exempt from the controls of the Agricultural and Veterinary Chemicals Code Act. This means that there is limited ability to control the addition, in contravention of their registered use, of veterinary chemical products such as growth promotants and antibiotics to feedstuffs to be used for livestock consumption. This is of great concern in public and animal health issues.

While this inconsistency has been identified, the processes of control have been operated as though the inconsistency did not exist and the full effect of the Agricultural and Veterinary Chemicals Code Act has been applicable. However, the correction is necessary. The national registration authority has requested urgent change to correct the anomaly in the Act and Crown Solicitor's Office advice supports the change. It is currently not possible to prosecute in Western Australia for some offences under the Agricultural and Veterinary Chemicals Code Act. The position is not acceptable and could threaten access to European meat markets for all Australian beef products.

I commend the Bill to the House. For the information of members I table an explanatory memorandum for the Bill.

[See paper No 416.]

Debate adjourned, on motion by Hon E.R.J. Dermer.

ADJOURNMENT OF THE HOUSE

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [6.11 pm]: I move -

That the House do now adjourn.

Technical and Further Education Lecturers, Certified Agreements - Adjournment Debate

HON LJILJANNA RAVLICH (East Metropolitan) [6.12 pm]: I understand that members are fairly tired; it has been a long week. However, I want to bring to the attention of the House concerns I have within the vocational education and training sector. Given that I am the opposition spokesperson in this area, it would be negligent of me not to do so. The

concern I bring to the House is the certified agreements for technical and further education lecturers. In August 1996 the first certified agreement for TAFE lecturers was negotiated with the State School Teachers Union of WA. At the time the agreement was signed it included substantial tradeoffs in exchange for a 15 per cent salary increase. The agreement expired in 1998 and there has been no effort by the current minister to renegotiate that certified agreement. This is causing problems with lecturers at the grass roots level.

As of 16 August 1999 the minister, who is intent on destroying the working conditions of all workers, offered TAFE lecturers workplace agreements. It is not surprising that this offer met with considerable resistance by TAFE lecturers. Even knowing that this is the case, managing directors of TAFE colleges are now stating that in-principle agreement has been reached with the union on most of the workplace agreements. The union vehemently denies that this is the case. It claims that this is in no way true, and is not a reflection of what is going on. Furthermore, there is no way that that agreement could have been reached because, apart from anything else, nothing has been sent to the union's members for a vote. The concern with workplace agreements is that lecturers' conditions will be substantially reduced. Rather than signing the workplace agreements, the lecturers want to see a commitment to the certified agreement and open and honest negotiations with desired outcomes to be conducted between the lecturers, the union and the minister.

At the moment TAFE colleges are in a bargaining period, and a log of claims has been served on all managing directors of TAFE colleges. The log of claims includes a request for increased job security. I do not think that is a big ask. The rate of casualisation of lecturing positions in TAFE colleges is evidenced in the 1997 and 1998 annual reports. About one-half of all lecturing staff in TAFE colleges are casuals. Problems are associated with such a large casual work force. That view is shared by the State School Teachers Union.

Another concern is the increasing trend in TAFE colleges to increase the ratio of administration staff to TAFE lecturers. I tried to extrapolate that information from the 1997 and 1998 TAFE reports. It was a fairly difficult task. However, what is apparent from what I have been able to ascertain is that the ratio is in some cases one to one, or 50 per cent; in other cases the average is about 40 per cent. In other words, 40 per cent of the total staffing in most TAFE colleges is in the area of administration.

When this was first put to me, I thought that it could not be a true reflection of what was happening, because it shows that obviously resources are being diverted to the wrong area and the system is top heavy. I notice that in the annual report of the Western Australian Department of Training for 1998-99, the C.Y. O'Connor College of TAFE, for example, has a total staff of 104, of whom 51 are administration, 40 are lecturing and 13 are academic. Kimberley College has 33 administration staff, 31 lecturing staff, 12 academic staff and one staff member for student support, making a total of 77 staff. That shows that the figure of 40 per cent is right. In some cases it is even as high as 50 per cent. There are major problems within the TAFE sector. I have just started to have a closer look at that area. Some real difficulties are being experienced.

Returning to the log of claims which has been served on all TAFE directors, what is required, in addition to increased job security for all lecturers, is a 15 per cent pay increase for full-time staff and a 25 per cent increase for casuals; 12 weeks paid maternity leave, which I understand is a national standard; recognition of previous experience when determining starting salary and maintenance of salary progression; a realistic, planned working week; leave entitlements to remain intact; and no further trade-offs.

The workplace agreement has been pushed since August 1999. However, the Commissioner for Workplace Agreements has advised that no TAFE workplace agreements have yet been registered. Therefore, for college directors to be running around saying that there is in-principle agreement is a long way from the truth. Clearly, TAFE lecturers have said no to less job security, to further casualisation of their work force and to lower wages. If one looks at the wage structure, the comparison speaks for itself. For example, under a certified agreement, the lowest salary for a full-time lecturer teaching TAFE adult education courses for 23 hours a week is $33 500 per annum, and the maximum salary is $55 390 per annum. In addition, these people would also receive sick leave, long service leave, carers leave, parental leave, public holidays, access to advanced school lecturer classifications, etc. However, under a workplace agreement the situation is very different. The same lecturer would only be paid as a casual for a full-time teaching load equivalent to 23 hours a week, with a maximum salary of $26 000 per annum. One would have to be brain dead to expect lecturers to opt for workplace agreements. Given what is offered under a certified agreement, it is no wonder that TAFE lecturers are not hopping onto the workplace agreement bandwagon, because the workplace agreement will substantially reduce the working conditions and wages of TAFE lecturing staff.

Hon E.R.J. Dermer: Do they have an effective choice?

Hon LJILJANNA RAVLICH: This notion of a choice is a furphy. I suspect that neither the minister nor the college directors have yet exerted full pressure on any of these lecturers. However, the system has ways and means to influence the decisions that people make. In some cases of which I have heard in other areas of the public sector, it is a workplace agreement or no start. That is the type of option that generally people in the public sector are given. I cannot see why, under this Government, TAFE lecturers would be handled with greater respect than other public servants.

This situation should be resolved. I call on the minister responsible to negotiate in good faith and to renegotiate that certified agreement for the benefit of not only TAFE lecturers but also the TAFE sector as a whole.

Question put and passed.

House adjourned at 6.20 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

COCKBURN CEMENT, WASTE PRODUCTS BURNING

352. Hon J.A. SCOTT to the Minister for Finance representing the Minister for the Environment:

(1) Has Cockburn Cement burnt waste materials from the BP Oil Refinery at its plant in Munster during the past five years?

(2) If yes, what sort of materials?

(3) Did Cockburn Cement burn any of the coal tar wastes from the East Perth cleanup?

(4) If yes, when and how much?

(5) What other combustible wastes have been burnt by Cockburn Cement in the past five years?

(6) Has Cockburn Cement's licence been amended to permit the burning of wastes?

(7) If yes, when did this occur?

(8) If not, why are they burning waste?

(9) What pollutants are currently monitored by -

(a) Cockburn Cement;
(b) the DEP; and
(c) the Health Department,

in the vicinity of Cockburn Cement?

(10) Have any of their readings shown levels close to, or in excess of the proposed National Environment Protection Measure standards for these pollutants?

Hon MAX EVANS replied:

(1) Yes.

(2) Over the past three years, Cockburn Cement Ltd has received small quantities of anthracite coal and activated carbon from BP and has burnt this material in the clinker kilns. The material quantities have been approximately 20 cubic metres each time on one or two occasions per year.

(3) Yes.

(4) One trial burn comprising 173 tonnes of soil from East Perth was burnt in the clinker kiln between 27 and 29 December 1994.

(5) It is understood that the only other waste burnt is recycled lubricating oil which is used as a fuel.

(6)-(8) The licence for Cockburn Cement was amended on 12 June 1992 to permit the use of recycled lubricating oil as a fuel. Approval was given by DEP for the trial burn of soil from East Perth in 1994.

(9) Sulphur Dioxide (SO_2) has been monitored near Cockburn Cement in Munster at three monitoring stations. These are located at Bibra Lake, Munster and at Wattleup. For information regarding the location and operating period for each of these monitoring stations see tabled paper. If the honourable member requires more specific information on monitoring in the area, the Minister for the Environment would be pleased to provide it on request. Questions relating to Cockburn Cement and the Health Department should be addressed to the company and my colleague the Minister for Health.

(10) Yes, the Wattleup Monitoring Station has in the past recorded readings in excess of the proposed National Environmental Protection Measure standards for Sulphur Dioxide. The bulk of these readings was between commencement of monitoring in June 1978 up until 1982. Readings only exceeded the proposed levels on one day each in 1985, 1986, 1987, 1988, 1989 and 1993. However there have been no exceedences since January 1993. Both Miguel Road and Henderson Road Stations have had no exceedences recorded since the start of monitoring in January 1993 and January 1995 respectively.

SIMCOA, JARRAH CHARCOAL LOGS

364. Hon NORM KELLY to the Minister for Finance representing the Minister for the Environment:

(1) How much has SIMCOA paid in each of the last five years for jarrah charcoal logs?

(2) Are investigations continuing into the use of plantation logs as alternatives to jarrah logs for use at the silicon smelter?

(3) If not, why not?

(4) If yes, what progress has been made?

Hon MAX EVANS replied:

(1)

Year	Amount ($)
1994-95	$3 319 455
1995-96	$3 394 151
1996-97	$3 456 959
1997-98	$3 398 329
1998-99	$2 579 089

(2)-(4) Any investigation to use plantation logs is a decision for SIMCOA to make.

GOVERNMENT DEPARTMENTS AND AGENCIES, INFORMATION TO PEOPLE OF NON-ENGLISH SPEAKING BACKGROUNDS

385. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Resources Development:

(1) For all Government departments and agencies under the Minister for Resources Development's control, what was the budget allocation for the provision of information to people of non-English speaking backgrounds in -

(a) 1994/95;
(b) 1995/96;
(c) 1996/97;
(d) 1997/98; and
(e) 1998/99?

(2) Have any Government or departments under the Minister's control utilised the services of radio 6EBA non-English print media as media to provide information for people of cultural and linguistic diverse backgrounds?

(3) If not, why not?

(4) If yes to (3) above, how much was spent on -

(a) electronic media; and
(b) print media, in -

(i) 1994/95;
(ii) 1995/96;
(iii) 1996/97;
(iv) 1997/98; and
(v) 1998/99?

Hon N.F. MOORE replied:

(1)-(4) Please refer to the answer given in response to question on notice 381 of 7/9/99.

GOVERNMENT DEPARTMENTS AND AGENCIES, INFORMATION TO PEOPLE OF NON-ENGLISH SPEAKING BACKGROUNDS

386. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Energy:

(1) For all Government departments and agencies under the Minister for Energy's control, what was the budget allocation for the provision of information to people of non-English speaking backgrounds in -

(a) 1994/95;
(b) 1995/96;
(c) 1996/97;
(d) 1997/98; and
(e) 1998/99?

(2) Have any Government or departments under the Minister's control utilised the services of radio 6EBA non-English print media as media to provide information for people of cultural and linguistic diverse backgrounds?

(3) If not, why not?

(4) If yes to (3) above, how much was spent on -

(a) electronic media; and
(b) print media, in -

(i) 1994/95;
(ii) 1995/96;
(iii) 1996/97;
(iv) 1997/98; and
(v) 1998/99?

Hon N.F. MOORE replied:

(1)-(4) Please refer to the answer given in response to question on notice 381 of 7/9/99

AMITY QUAYS DEVELOPMENT, ALBANY

450. Hon BOB THOMAS to the Minister for Finance representing the Minister for the Environment:

(1) Did the Minister for the Environment meet with Mr Gerry Kelly and Mrs Yvonne Attwell on June 3, 1999 to discuss the contamination of the site of the Amity Quays development on the Albany foreshore?

(2) Who was present at that meeting and which organisations did they represent?

(3) Did the Minister for the Environment state at that meeting that the Government was responsible for the contamination of the site and therefore would have to be responsible in conjunction with the City of Albany for the removal and storage/disposal of the contaminating material?

(4) If not, what did the Minister say?

(5) What else was resolved at that meeting?

Hon MAX EVANS replied:

(1) Yes.

(2) The Hon Minister for the Environment, Mrs Cheryl Edwardes MLA, the Hon Mr Kevin Prince MLA, member for Albany, Ms Dawn FitzGerald (Office of Minister for the Environment), Mr Drew Ninnis (Work Experience Student - Office of the Minister for the Environment), Mr Fred Tromp (Department of Environmental Protection), Mr Geoff Fulford (DEP), Mr Robert Fenn (Town of Albany), Mr Gerry Kelly and Mrs Yvonne Attwell (G & J Kelly Pty Ltd).

(3)-(5) The Minister advised that liability issues were being resolved and that the Government would honour its commitments in this regard. It was resolved that the DEP would investigate action required to progress the evaluation and remediation of the Albany Gasworks site.

CALM, SALE OF LAND IN NANNUP

463. Hon TOM STEPHENS to the Minister for Finance representing the Minister for the Environment:

I refer to the sale of Lot 3 Cundinup to Dudinilyup Road, Nannup, to Lakemont Pty Ltd by the Department of Conservation and Land Management, and ask -

(1) Was a valuation of the land conducted?

(2) Who undertook the valuation/s?

(3) What was the land valued at prior to the sale?

Hon MAX EVANS replied:

(1) Yes.

(2) Valuer General's Office.

(3) $800 000.

WESTERN POWER, COST OF POWER GENERATION

469. Hon TOM STEPHENS to the Leader of the House representing the Minister for Energy:

Will the Minister for Energy table a schedule of the current cost of power generation at each location throughout WA where the electricity is supplied by Western Power and where the supply is not provided as part of a Western Power grid?

Hon N.F. MOORE replied:

The cost of power generation at locations that are not connected to Western Power's Interconnected Systems is dependent mainly on the type of fuel used for generation. The majority of the 29 regional systems use distillate, and the cost of fuel alone at these locations exceeds 20¢/kWh with the actual cost depending on the size and age of the power stations. Total generation costs at these locations typically exceed 30¢/kWh. Despite the high costs of supply involved, the Government's Uniform Tariff Policy applies for all residential and small to medium business customers supplied by Western Power. This results in charges of around 14¢/kWh for residential customers and 16¢/kWh for commercial customers. Larger users are charged at the uniform tariff rate for consumption up to 300,000kWh per annum and 20¢/kWh thereafter.

As a result of the uniform tariffs, total costs of supply exceed the revenue received and overall, Western Power's Regional Power Business incurs significant losses. In 1998/99 for example, the total loss on the regional systems was around $30 million before borrowing costs and income tax. This loss is currently absorbed within Western Power. Initiatives are currently under way to reduce these losses. In particular the Government and Western Power have established the Regional Power Procurement Process. This involves public tenders being called for the supply of electricity at the larger non-connected locations with the aim of establishing least-cost generation. While it is expected that this will result in significant savings, it is likely that the overall cost of generation will still exceed the revenue received from customers.

POWER GENERATION COSTS, REMOTE ABORIGINAL COMMUNITIES

470. Hon TOM STEPHENS to the Leader of the House representing the Minister for Energy:

What details can the Minister for Energy table of the cost of power generation to each of the major remote Aboriginal communities across WA that are not currently provided with power by Western Power?

Hon N.F. MOORE replied:

As remote Aboriginal Communities generate their own power supply, the Minister does not have the details and therefore is unable to provide them. However, a joint study between the State and Commonwealth Governments has been commissioned to identify the current cost of generation of power in remote communities as well as the cost of generation utilising best practice.

GOVERNMENT CONTRACTS, AUSTRALIAN PROPERTY CONSULTANTS AND ROSS HUGHES & CO

490. Hon TOM STEPHENS to the Leader of the House representing the Minister for Resources Development:

(1) Have any departments or agencies under the Minister for Resources Development's portfolio awarded any contracts to -

(a) Australian Property Consultants; and
(b) Ross Hughes and Company,

since January 1, 1999?

(2) If yes, can the Minister state -

(a) the name of the contractor;
(b) the project the contract was awarded for;
(c) the date the contract was awarded;
(d) the value of the contract;
(e) whether the contract went to tender; and
(f) if the contract did not go to tender, why not?

Hon N.F. MOORE replied:

Department of Resources Development

(1) (a)-(b) No.

(2) (a)-(f)) Not applicable.

GOVERNMENT CONTRACTS, AUSTRALIAN PROPERTY CONSULTANTS AND ROSS HUGHES & CO

491. Hon TOM STEPHENS to the Leader of the House representing the Minister for Energy:

(1) Have any departments or agencies under the Minister for Energy's portfolio awarded any contracts to -

(a) Australian Property Consultants; and
(b) Ross Hughes and Company,

since January 1, 1999?

(2) If yes, can the Minister state -

(a) the name of the contractor;
(b) the project the contract was awarded for;
(c) the date the contract was awarded;
(d) the value of the contract;
(e) whether the contract went to tender; and
(f) if the contract did not go to tender, why not?

Hon N.F. MOORE replied:

Office of Energy

(1) (a)-(b) No.

(2) (a)-(f) Not applicable.

Western Power

(1) (a)-(b) No.

(2) (a)-(f) Not applicable.

AlintaGas

(1) (a)-(b) No.

(2) (a)-(f) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF $500 000

534. Hon TOM STEPHENS to the Leader of the House representing the Minister for Resources Development:

Can the Minister for Resources Development provide the following details of land sales in -

(a) rural and metropolitan; and
(b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of $500 000 or more -

(i) name and location of the land sold;
(ii) date sold;
(iii) nature of sale and name of buyer;
(iv) the names of any non-Government agents involved in the sale;
(v) proceeds received from the sale;
(vi) associated revenue from the sale, such as stamp duty; and
(vii) any associated costs incurred in the sale process?

Hon N.F. MOORE replied:

(a)-(b) Nil.

(i)-(vii) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF $500 000

535. Hon TOM STEPHENS to the Leader of the House representing the Minister for Energy:

Can the Minister for Energy provide the following details of land sales in -

(a) rural and metropolitan; and
(b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of $500 000 or more -

(i) name and location of the land sold;
(ii) date sold;
(iii) nature of sale and name of buyer;
(iv) the names of any non-Government agents involved in the sale;
(v) proceeds received from the sale;
(vi) associated revenue from the sale, such as stamp duty; and
(vii) any associated costs incurred in the sale process?

Hon N.F. MOORE replied:

Office of Energy

(a) Nil.
(i)-(vii) Not applicable.

(b) Nil.
(i)-(vii) Not applicable.

AlintaGas

(a) Nil.
(i)-(vii) Not applicable.

(b) Nil.
(i)-(vii) Not applicable.

Western Power Corporation

(a) (i) Midvale Works Depot, Lot 10, Rothchild Street, Midvale.
(ii) 7/1/1999.
(iii) Private Treaty, WA and WG Siroen.
(iv) Not applicable.
(v) $1,050,000.
(vi) Nil.
(vii) Nil.

(b) (i) Kewdale Works Depot, Lot 202, Noble Street, Kewdale.
(ii) 21/5/1999.
(iii) Private Treaty, Flowljeff Holdings Pty Ltd.
(iv) Not Applicable.
(v) $3,050,000.
(vi) Nil.
(vii) $463,000 subdivision/relocation costs.

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF $500 000

541. Hon TOM STEPHENS to the Minister for Finance representing the Minister for the Environment:

Can the Minister for the Environment provide the following details of land sales in -

(a) rural and metropolitan; and
(b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of $500 000 or more -

(i) name and location of the land sold;
(ii) date sold;
(iii) nature of sale and name of buyer;
(iv) the names of any non-Government agents involved in the sale;
(v) proceeds received from the sale;
(vi) associated revenue from the sale, such as stamp duty; and
(vii) any associated costs incurred in the sale process?

Hon MAX EVANS replied:

Perth Zoo:
(a)-(b) Nil.

Botanic Gardens and Parks Authority:
(a)-(b) Nil.

Department of Environmental Protection:
(a)-(b) Nil.

Conservation and Land Management:
(a)-(b) Nil.

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF $500 000

543. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Lands:

Can the Minister for Lands provide the following details of land sales in -

(a) rural and metropolitan; and
(b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of $500 000 or more -

(i) name and location of the land sold;
(ii) date sold;
(iii) nature of sale and name of buyer;
(iv) the names of any non-Government agents involved in the sale;
(v) proceeds received from the sale;
(vi) associated revenue from the sale, such as stamp duty; and
(vii) any associated costs incurred in the sale process?

The answer was tabled. [See paper No 273.]

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF $500 000

544. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Fair Trading:

Can the Minister for Fair Trading provide the following details of land sales in -

(a) rural and metropolitan; and
(b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of $500 000 or more -

(i) name and location of the land sold;
(ii) date sold;
(iii) nature of sale and name of buyer;
(iv) the names of any non-Government agents involved in the sale;
(v) proceeds received from the sale;
(vi) associated revenue from the sale, such as stamp duty; and
(vii) any associated costs incurred in the sale process?

The answer was tabled. [See paper No 273.]

LASER POINTERS, RESTRICTIONS ON SALES

565. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Fair Trading:

(1) Does the Minister for Fair Trading accept that laser pointers are dangerous devices capable of causing serious

injury, as evidenced by the permanent eye damage suffered by a Denmark boy in a school yard incident two weeks ago?

(2) Is so, can the Minister explain why he has opted to issue only a "voluntary" restriction on the sale of laser pointers in Western Australia instead of following the lead of the Victoria and New South Wales in banning the devices altogether?

(3) Can the Minister confirm that he recommended to the Minister for Police that control of the use of laser pointers be considered under the new *Weapons Act* which was recently proclaimed?

(4) Was the Minister's recommendation accepted?

(5) If not, what reasons were given for it being rejected?

Hon MAX EVANS replied:

(1) The Minister accepts laser pointers can be dangerous if misused.

(2) The Ministry of Fair Trading imposed a voluntary restriction in June 1998 in view of discussions at the national level and pending a report to the Consumer Product Advisory Committee. The Ministry advised that at the March 1999 meeting of the Consumer Product Advisory Committee, there remained no unanimous agreement to implement total bans across all jurisdictions. Accordingly, the voluntary restriction continued to apply to laser pointers above Class 2. This decision of the Ministry was consistent with the State's commitment under the Commonwealth's Mutual Recognition Act of 1995 which received intergovernment agreement in July 1991, when signed by the then Premier, the Hon Carmen Lawrence.

(3)-(5) I am not able to detail Cabinet's considerations. However, the Minister for Police has advised that laser pointers cannot be classified as weapons (either prohibited or controlled) under the Weapons Act 1999 because they are designed to be used in a lawful manner as a laser pointer, not as a weapon. Under the Act, Laser pointers are treated the same as kitchen knives, household implements and other objects that are not *designed* to be used as weapons, but can be *used* for that purpose. The possession or carriage of a laser pointer, kitchen knife, or other such implement will be unlawful only if it is being used or carried with intent to harm. Under these circumstances, it would be classified as an 'other article' under the Weapons Act 1999 and the person in possession of the implement would be in breach of the Act, which comes into effect on 1 March 2000. In summary, laser pointers, and other similar implements which are not designed for use as weapons, will be subject to the Weapons Act 1999, only if they are being carried or possessed with intent to cause harm. Otherwise, they are regarded as lawful implements.

BRICKWORKS, HELLMICH SCRUBBER

579. Hon J.A. SCOTT to the Minister for Finance representing the Minister for the Environment:

(1) Which brickworks in WA use the Hellmich Scrubber?

(2) Is the Minister for the Environment aware that the Tower Brick proposal claimed in its Consultative Environmental Review, that this proposal would produce much lower emissions because of the use of high technology scrubbers, known as the Hellmich Scrubber?

(3) Is the Minister aware investigations into hydrogen fluoride levels in the Swan Valley (DEP report Aug 1998) show that existing brickworks in this region regularly exceed their EPA recommended averages?

(4) Is the Minister aware of the submission made to the EPA by the Health Department of WA, where it states that,"from the review of ambient and cumulative studies of fluoride in the Swan Valley (DEP1998), it is evident that the current licence limits imposed on emissions from existing brick and tile manufacturers are inadequate to maintain hydrogen fluoride levels within guideline limits in the Swan Valley region"?

(5) Is the Minister aware that licence conditions set for brickworks in the east metropolitan region require "the concentration of particulate material in the exit gases from the chimney stack shall not exceed 0.15 gram per cubic metre..."?

(6) Will the Minister please table the last three months monitoring data for particulate material from brick and tile manufacturers in the east metropolitan region?

(7) If not, why not?

(8) Is the Minister aware that hydrochloric acid gases are emitted from brickwork stacks?

(9) Can the Minister state why the monitoring of this gas is not a requirement of the licences for existing brickworks?

(10) Is the Minister aware of the health risks associated with exposure to hydrogen fluoride, hydrochloric acid and particulate emissions from brickworks?

(11) What action is the Minister taking to determine the extent of the public health risk that has arisen from the excesses of brickworks emissions in the east metropolitan region?

(12) In view of the above information, will the Minister withdraw the Environmental Approval for the Tower Brick proposal?

(13) If not, why not?

Hon MAX EVANS replied:

(1) There is currently one brick manufacturer in the Swan Valley which utilises a Hellmich Scrubber on its premises. This is the Metro Brick premises in Bellevue.

(2) Yes.

(3) Yes. The hydrogen fluoride levels exceed the vegetation criteria, but not those for health.

(4)-(5) Yes.

(6)-(7) DEP experience, based on historical data available and complaints received, is that particulates are not a significant problem from brickworks in the Swan Valley. Licences for brickworks in this region have a limit set for particulates which can be used if particulates are identified to be a problem from complaints received. In the absence of a demonstrated particulate matter problem, monitoring of particulates is not required.

(8) Yes.

(9) I am advised that this matter has been considered in the recent environmental assessment. Given community concerns it is also the subject of further reviews of emissions occurring in relation to all brickworks in the Swan Valley.

(10) Yes.

(11) I suggest the member refer this question to my colleague, the Minister for Health. For the member's information he would be aware that a "Swan Valley Air Quality Community Committee" is being established, and the terms of reference for this Committee were discussed and agreed upon at a meeting with the Minister for the Environment. The Committee will promote closer consultation between all parties and will be chaired by the East Metropolitan Regional Council. The Committee will provide a forum for community representatives, brick manufacturers, the Department of Environmental Protection, Health Department of WA and local government to focus on air quality issues.

(12) No.

(13) The environmental approvals process has considered the issues raised above and found that the Tower Brick proposal is able to be operated in an environmentally acceptable manner (see also response to question (11). I seek leave to table the EPA report and recommendations, the Appeals Convenor's Report and the Statement of Environmental Conditions on this matter. [See paper No 415.]

GOVERNMENT CONTRACTS, CHAMBER OF COMMERCE AND INDUSTRY

586. Hon KEN TRAVERS to the Minister for Finance representing the Minister for the Environment:

(1) Have any of the Government agencies for which the Minister for the Environment is responsible had contracts with, or made payments to, the Chamber of Commerce and Industry in each of the following years -

(a) 1996/97;
(b) 1997/98; and
(c) 1998/99?

(2) If yes, what was the nature of each of the contracts and what was/were the payments made?

Hon MAX EVANS replied:

Perth Zoo:
(1) Nil.
(2) Not applicable.

Department of Environmental Protection:
(1) (a) $57.00
(b)-(c) Nil.

(2) Publications.

Botanic Gardens and Parks Authority:
(1) (a)-(b) Nil.
(c) Yes.

(2) The Kings Park Board and the Chamber of Commerce hosted a joint function at the 1998 Kings Park Wildflower Festival. The Kings Park Board paid $1 685.00 for the cost of printing invitations.

Department of Conservation and Land Management:
(1) (a)-(b) Yes.
(c) No.

(2) Payments totalling $2 960 have been made since 1 July 1996 for six invoices relating to various training courses for staff.

MINING, OROYA TAILINGS FACILITY

626. Hon TOM HELM to the Minister for Finance representing the Minister for the Environment:

I refer to question on notice number 685, November 26, 1998.

(1) Did a departmental officer(s) visit on January 28, 1998 and then again on December 6, 1998 as was stated in a letter dated January 24, 1999 reference L14/67 (72409)?

(2) If yes, what was the name of the departmental officer(s) who visited on both dates mentioned in (1) above?

(3) If no, can the Minister for the Environment explain on what date or other dates a departmental officer visited and looked at the Oroya tailings facility?

Hon MAX EVANS replied:

(1) No.

(2) Not applicable.

(3) Visits by departmental officers took place as follows -

(i) On 28 January 1993, by Mr Harvey Johnstone.
(ii) On 11 November 1993, by Mr Harvey Johnstone and Mr Andrew Baker.

GREEN POWER SCHEME

628. Hon J.A. SCOTT to the Leader of the House representing the Minister for Energy:

(1) Further to Question Without Notice 45 of August 13, 1998 can the Minister for Energy explain why the Green Power Scheme he promised last year has not eventuated?

(2) Does the Minister still intend to introduce a Green Power Scheme for Western Australia?

(3) If not, why not?

(4) If yes, when?

(5) In view of the national effort to reduce greenhouse gas emissions why has the Minister procrastinated on this important measure?

Hon N.F. MOORE replied:

(1) The Government has wanted to ensure that when a Green Power Scheme is introduced in Western Australia, it is one which the public can be confident will lead to genuine and long term environmental and economic benefits. In addition, we have been looking for ways in which the Government can provide meaningful support that will ensure the viability and success of the scheme. The introduction of the Green Power Scheme has been delayed to ensure that these issues are fully addressed and resolved.

(2) Yes.

(3) Not applicable.

(4) The Minister for Energy will shortly be in a position to make an announcement.

(5) See (1) above.

WOODCHIPPING AGREEMENT ACT, CHANGES

635. Hon CHRISTINE SHARP to the Leader of the House representing the Minister for Resources Development:

(1) What changes were made to the *Woodchipping Agreement Act* between 1973 and 1998?

(2) Which of those changes were tabled in both Houses of the Western Australian Parliament for disallowance?

Hon N.F. MOORE replied:

(1) Changes were made to the *Woodchipping Industry Agreement Act of 1969* in 1973, 1975, 1990 and 1993. The 1973 Amendment addressed the development of port, rail and road facilities together with variation and environmental protection provisions. The 1975 Variation addressed provision of railway rolling stock. The 1990 Variation addressed the provision of wood supply arrangements, a forest residue utilisation levy and port and rail arrangements. The 1993 Variation addressed administrative changes to the forest residue utilisation levy.

(2) The 1973 Amendment was ratified by Parliament as Act No 34 of 1973. The 1975, 1990 and 1993 amendments were made under the provisions of Clause 27(1) of the Agreement and were not tabled in Parliament.

CABLE SANDS, GROUND WATER INVESTIGATIONS IN YARLOOP-COOKERNUP

637. Hon BOB THOMAS to the Minister for Finance representing the Minister for the Environment:

In relation to the ground water investigations that Cable Sands has conducted under guidance from the Department of Environmental Protection (DEP) in the Yarloop/Cookernup area -

(1) Has Cable Sands supplied the DEP with the results of its monitoring and investigations?

(2) If not, why not

(3) If yes, will the Minister for the Environment table the results?

(4) Will the Minister table the advice the DEP supplied to Cable Sands about the conduct of this investigation?

Hon MAX EVANS replied:

(1)-(2) Cable Sands Limited conducted an investigation into the ground water in the Yarloop-Cookernup area under the guidance of the Water and Rivers Commission, not the DEP. WRC has the results of this investigation and have included them in their own independent review into the area's ground water. The results of this review will be presented to the DEP upon its completion.

(Because the issue concerns a ground water resource, the lead agency is the WRC as specified in the Environmental Protection Authority Bulletin No 838: Mining of Titanium Minerals, 2km south of Yarloop, Cable Sands (WA) Pty Ltd).

(3) Not applicable.

(4) Refer to (1).

MEEKATHARRA POWER STATION, NOISE PROBLEMS

642. Hon TOM HELM to the Leader of the House representing the Minister for Energy:

(1) Is the Minister for the Energy aware of any noise problems from the power station in Meekatharra?

(2) Will the Minister consider upgrading the power station?

(3) If not, why not?

(4) If yes, when?

(5) Will the Minister take appropriate measures to address noise problems in the Police Station area?

(6) Has a report been commissioned into this matter?

(7) Will the Minister release the report?

Hon N.F. MOORE replied:

(1) The Minister has discussed the issue of noise emissions from Meekatharra Power Station with Western Power. Western Power is committed to working with the Department of Environmental Protection to determine appropriate and achievable outcomes.

(2) Meekatharra Power Station is one of 14 regional power stations included as part of the Regional Power Procurement Process. Future options for the station are being addressed as part of this process which involves public tenders being called for the supply of electricity at the larger non-connected locations with the aim of establishing least-cost generation. The process will see a number of power stations retired during the coming 24 to 36 months. Power generation in these instances will be undertaken by Independent Power Producers who will be required to meet all legislative standards including noise.

(3)-(4) Not applicable.

(5) The Government Employees Housing Authority is in the final stages of constructing alternate accommodation for the Meekatharra Police Officer in Charge and his wife.

(6) Western Power contracted SVT Engineering Consultants to produce a report titled "Environmental Noise Control Assessment of the Meekatharra Power Station".

(7) Yes, refer to tabled paper. [See paper No 413.]

DALLELYUP SUBDIVISION, LAND OWNERSHIP

701. Hon BOB THOMAS to the Minister for Finance representing the Minister for Housing:

(1) Who owns the land in the Dallelyup subdivision?

(2) If it is Landcorp, when was it transferred to that organisation?

(3) What is the distribution of all applicants for Homeswest housing in Bunbury by postcode area?

Hon MAX EVANS replied:

(1) The State Housing Commission holds title to the land. Home Satterley Dalyellup Pty Ltd has purchased 50% equity to enter the joint venture.

(2) Not applicable.

(3) As at 30 September 1999, there were 431 applicants listed for Homeswest housing in the Bunbury zone which includes Bunbury, Australind, Eaton, Carey Park and Withers. The 431 applicants cover some 75 postcode areas and it is not practical to provide this information at this time. I do, however, undertake to provide this information as soon as possible.

LAND CONSERVATION DISTRICTS, SOUTH WEST AND GREAT SOUTHERN, FUNDING

704. Hon BOB THOMAS to the Minister for Finance representing the Minister for Water Resources:

(1) Which LCD's in the South West and Great Southern received funding from the Waters and Rivers Commission in the last four years?

(2) How much was received?

(3) What criteria must an LCD meet in order to qualify for funding from this department?

Hon MAX EVANS replied:

(1)-(2)

South West	1997/98	Capel	$1470.00
		Vasse-Wonnerup	$1400.00
		Collie	$22793.00
		Hay River	$20560.00
		Williams	$77652.00
		Lower Blackwood	$27507.00
		Serpentine-Jarrahdale	$56412.00
South West	1998/99	Yallingup	$2350.00
		Capel	$18865.00
		Vasse-Wonnerup	$100.00
		Manjimup	$10000.00
		Collie	$1000.00
		Hay River	$6000.00
		Serpentine-Jarrahdale	$10200.00
South Coast	1997/98	Napier King	$6000.00
		Kalgan	$11256.00
		Ravensthorpe	$14000.00
		Kent River	$12000.00
		Sussex	$36700.00
		Katanning	$41170.00
South Coast	1998/99	Nil	

(3) There are five general criteria under which a Land Conservation District Committee (LCDC) could qualify to receive funds from the Water and Rivers Commission:

(i) Generally an LCDC may receive funding support if it is undertaking a project that will make a substantial contribution to the improvement of water resources in a catchment recognised as high priority under the Commission's business plan. Assessment of funding applications would always be via a group with strong community membership. Final delivery of funds is subject to a letter of agreement.

(ii) An LCDC is in a peri-urban catchment (ie. where agriculture is no longer the dominant land use) which is a priority catchment for waterways management (eg. Swan-Canning). The LCDC may receive an annual $500 contribution toward administration costs and also receive Commission staff time to fill the Commissioner's (of Soil Conservation) Nominee position.

(iii) The LCDC has obtained funding under the Rivercare Program of the Natural Heritage Trust (NHT). The project would have been assessed by a Regional Assessment Panel and the State Assessment Panel. The Commission has responsibility for the distribution of funds from the Rivercare Program on behalf of the NHT Secretariat.

(iv) The LCDC has successfully applied for funding under one of the Commission's south coast waterways fencing and rehabilitation assistance programs. Funds are provided to assist in the purchase of materials. Funding can be administered by a catchment group (eg. Wilson Catchment Committee) on behalf of the Commission or Waterways Management Authority. Guidelines exist for the selection of activities to be funded and strict conditions apply.

(v) The LCDC is present in a Water Resources Recovery Catchment under the Salinity Action Plan. Projects may be funded by the Commission on the basis that they achieve substantial water quality improvements. Here the Commission's decision on funding is based on advice provided by the Recovery Catchment

Teams which have strong inter-agency and community membership. The teams have guiding principles for the allocation of funding.

PRESTON CONSERVATION PARK

706. Hon BOB THOMAS to the Minister for Finance representing the Minister for the Environment:

(1) What are the boundaries of the Preston Conservation Park?

(2) What is the area of the park?

(3) What is the reserve classification for the areas described as the Preston Conservation Park?

(4) What will its reservation be changed to under the RFA?

(5) How much of the park will be made available for logging?

(6) Which areas will be reserved?

(7) Which areas will be logged?

Hon MAX EVANS replied:

(1) Although there was an area proposed as a conservation park in Preston forest block the conservation park was never gazetted. The boundaries of this area are the boundary between State forest 29 and private property on the northern and north-eastern sides, Thane Road on the south-eastern side, Lowden Grimwade Road on the southern side, and an un-named vehicle track, then a road survey, then back onto the un-named vehicle track on the western side.

(2) Approximately 877 hectares.

(3) State forest.

(4) Under the RFA, the area will remain as State forest.

(5) Under the Regional Forest Agreement, "areas that were proposed as a formal reserve in the Forest Management Plan 1994-2003, but are now intended to remain as State forest under this Agreement, will continue to be managed as a proposed reserve in accordance with the Forest Management Plan 1994-2003, until a new Forest Management Plan that implements a change in intent is gazetted." The Department of Conservation and Land Management is abiding by the RFA and has no plans to log in the area previously proposed as a conservation park in Preston forest block prior to the approval of a new forest management plan.

(6)-(7) Not applicable.

WESTERN POWER, REDEPLOYMENT POOL

710. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Energy:

(1) How many Western Power employees are currently in the redeployment pool?

(2) Has a guarantee been given in writing by Western Power that a minimum of 52 Western Power employees will be put forward to Manpower for the out placement program?

(3) Has Western Power signed a legally binding contract with Manpower which specifically outlines that Manpower will not and cannot be held responsible for the final numbers of candidates remaining in the redeployment pool after September 30 1999?

Hon N.F. MOORE replied:

(1) As of 30 September 1999 there were 32 Western Power employees in the redeployment pool.

(2)-(3) Yes.

PRESTON FOREST CONSERVATION PARK, LOGGING

767. Hon J.A. COWDELL to the Minister for Finance representing the Minister for the Environment:

(1) Is the Minister for the Environment aware of any plans to log the Preston Forest Conservation Park near Collie?

(2) If so, will the Minister -

(a) detail how much of the Preston Forest Conservation Park will be logged; and
(b) detail how close this will come to the Bibbulmun Track?

(3) If not, will the Minister ensure that no logging takes place in the conservation park?

Hon MAX EVANS replied:

(1) Although there was an area proposed as a conservation park in Preston forest block the conservation park was never gazetted. Under the Regional Forest Agreement, "areas that were proposed as a formal reserve in the Forest Management Plan 1994-2003, but are now intended to remain as State forest under this Agreement, will continue

to be managed as a proposed reserve in accordance with the Forest Management Plan 1994-2003, until a new Forest Management Plan that implements a change in intent is gazetted." The Department of Conservation and Land Management is abiding by the RFA and has no plans to log in the area previously proposed as a conservation park in Preston forest block prior to the approval of a new forest management plan.

(2)-(3) Not applicable.

WATER CHARGES, REGIONAL WESTERN AUSTRALIA

771. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Water Resources:

(1) Given the disproportionate impact on regional Western Australians of the Water Corporation pursuing Full Cover Recovery on water and sewerage rates, will the Minister for Water Resources review this policy?

(2) What has been the average water and sewerage rates in Denham and Carnarvon over the past three years?

Hon MAX EVANS replied:

(1) Water service
One State-wide (metro and country) fixed charge of $132.70 per property applies to all residential properties irrespective of size or location. Therefore, there is no need to review the policy.

Water consumption
Differential charges for water consumption apply to various country towns depending on the cost of supply. The policy was implemented in 1995/96 to reduce discretionary (high) level of residential consumption.

Note:
(a) Residential customers who consume up to 450kl in the country, South of 26 parallel and up to 650kl in country, North of the 26 parallel pay the same or less than equivalent metropolitan residential customers;
(b) Only approximately 8% (10,000) of country residential consumers who use water above these levels are affected by the differential pricing policy. There is no need to review the policy.

Sewerage service
Country sewerage charges are based on the Gross Rental Value (GRV) of the property and are determined by the rate in the dollar of GRV. In most cases, the charges affecting individual country sewerage schemes do not recover the costs of providing the service. Several means are in place to ensure that charges and annual increases to charges are not excessive:
- The maximum rate in the dollar of GRV is 12 cents.
- The maximum annual increase to charges affecting individual customers is 10% plus the government approved general price increase (eg 12% in total for 1999/2000).

Further means to prevent high level of charges are being considered at present.

(2) Average residential charges:

Denham	1997/98	1998/99	1999/2000
Water (*)	$126.30	$130.10	$132.70
Sewerage	n/a (**)	n/a (**)	$730.62

Carnarvon	1997/98	1998/99	1999/2000
Water (*)	$126.30	$130.10	$132.70
Sewerage	$574.96	$589.56	$600.06

(*) State-wide fixed amount per property.
(**) No full year sewerage availability in Denham in 1997/98 and 1998/99.

HOUSING, CAREY PARK

774. Hon BOB THOMAS to the Minister for Finance representing the Minister for Housing:

With regard to question without notice 260 of 1999 -

(1) Of the 122 units constructed in Carey Park since 1990 how many have been sold to private purchasers?

(2) Further to parts (2) and (3) what is the maximum number of dwellings which the Department of Housing can build on the 234 mainstream properties the department owns in Carey Park?

(3) How many dwellings has Homeswest sold in the Bunbury area since 1993?

(4) What suburbs were they in?

Hon MAX EVANS replied:

(1) Nil.

(2) The mainstream dwellings are a mix of single houses, duplex and multi unit dwellings. Under the current R30 code, some of those sites have been developed to their maximum potential, while for others a further yield can be gained. An additional bonus can be achieved for those sites to be used for seniors accommodation. It is not possible to determine what additional dwellings will be built until decisions have been made on the type of accommodation to be constructed on each lot.

(3) 115.

(4) Carey Park, Withers, Wollaston, Eaton and Mangles.

DALLELYUP HOUSING DEVELOPMENT

775. Hon BOB THOMAS to the Minister for Finance representing the Minister for Housing:

With regard to question without notice 11 of October 13 1999 -

(1) In answer to part 2(a) the Minister for Housing stated that not more than one in 12 lots will be allocated to welfare housing. What is the minimum number of lots which will be allocated to welfare housing?

(2) What is the department's policy with regard to the ratio of the number of lots in a subdivision which are allocated to welfare housing compared to overall housing?

(3) Homeswest officers have stated at meetings attended by members of the South West Environment Centre that the ratio is one in nine and the Minister's answer on October 13 1999, however, nominates a lower ratio of one in 12, which is the correct ratio?

Hon MAX EVANS replied:

(1) One in 12 lots.

(2) In broad hectare developments that it develops internally, the Ministry of Housing retains one in nine lots for its rental construction purposes. In joint venture developments that include areas of land outside the range of the first home buyer, a lower ratio may apply.

(3) The question without notice 11 of 13 October 1999 refers specifically to the Dalyellup project and the answer provided to that question was correct. Meetings attended by Members of the South West Environment Centre were specifically concerned with developments in Shearwater. With regard to that development, which is predominantly first homebuyer land, the reference to a ratio of one rental home in nine lots was correct.

WIND FARM, SAND PATCH, ALBANY

778. Hon Bob Thomas to the Leader of the House representing the Minister for Energy:

With regard to the proposed windfarm at Sand Patch near Albany -

(1) How close and how far from the cliff face will the towers be located?

(2) Has Western Power undertaken (or commissioned) any studies to assess the impact of locating the towers further back from the cliff face?

(3) If yes, will the Minister for Energy table the results of that study?

(4) What will be the effect of configuring the development in order that the closest tower is at least 300m from the cliff face?

Hon N.F. MOORE replied:

(1) This is presently unknown as the project is currently in a tender process and is yet to be approved. In the specifications for the project, the tenderers have been asked to keep turbines as far back from the cliffs as possible while meeting other environmental constraints such as noise, technical and visual amenity considerations.

(2) Yes.

(3) An extensive analysis has been undertaken by tenderers for the project using sophisticated computer models which predict the energy yield from the wind at the site. These have shown that the majority of energy is within a strip of land running along the cliff which varies in width from between 50 to about 550m. If turbines were located outside of this strip there would be a decrease in the energy generated of between 40 to 60%. Such information includes Intellectual Property on wind turbine output owned by the Tendering companies and cannot be tabled.

(4) The final turbine locations will depend on energy yield, environmental, technical and social constraints. Western Power is aware of the issue of setback distance from the cliff edge and is endeavouring to include this with the other constraints in the final wind farm design. It will not be possible to keep all wind turbines outside of 300m, as this would make the project unviable because of the lost energy.

GOVERNMENT DEPARTMENTS AND AGENCIES, RENT PAYMENTS

858. Hon N.D. GRIFFITHS to the Minister for Finance:

(1) With respect to all departments and agencies for which the minister is responsible what rent is budgeted to be paid this financial year?

(2) What rent is budgeted to be paid in the financial year ending June 30 2001?

(3) What rent has been paid for each of the financial years ending June 30 -

(a) 1999;
(b) 1998; and
(c) 1997?

Hon MAX EVANS replied:

Valuer General's Office

(1) $625,500
(2) Estimate $625,000 (subject to rent review)
(3) (a) $521,713.
(ii) $599,528.
(iii) $540,570.

State Revenue Department

(1) $1,299,975
(2) $1,350,000
(3) (a) $1,293,776.58
(b) $1,254,423.80
(c) $1,186,468.73

Government Employees Superannuation Board

(1) $1,258,800
(2) $1,320,000
(3) (a) $1,208,775
(b) $1,209,807
(c) $1,088,583

Insurance Commission of WA

(1) Rent (including variable outgoings) $1.41 million.

(2) Consistent with the Financial Administration and Audit Act, the Insurance Commission will not finalise its 2000-2001 budget until July 2000.

(3) (a) $1.52 million *
(b) $1.53 million *
(c) $1.49 million *

* Expense not payments

Note: The Insurance Commission is an owner/occupier and accordingly rents incurred are returned to it as investment income.

SUPERANNUATION, WEST STATE SUPER FUND

861. Hon N.D. GRIFFITHS to the Minister for Finance:

(1) Is it the case that members of the West State Super Fund run by the Government Employees Superannuation Board do not have a choice in their Superannuation arrangements with regard to where their employer contributions are directed?

(2) Is it the case that agencies who provide superannuation via the Government Employees Superannuation Board are exempted from Commonwealth "choice of funds" legislation?

(3) Is it the case that superannuation provided by the Government Employees Superannuation Board is not provided as a condition of an industrial award therefore regulations offering a choice of superannuation funds to new employees of Western Australian employers from July 1 1998 do not apply?

(4) What is the Government's current policy on the issue of choice for members of the "GESB" and the reasons therefore?

(5) Is change being contemplated?

(6) If yes, what change?

(7) When is the change envisaged to come into effect?

Hon MAX EVANS replied:

(1) Yes.

(2) Yes. The Commonwealth "Choice of Funds" legislation, if passed, will not apply to the schemes administered by the Government Employees Superannuation Board.

(3) Yes.

(4) There is no employee choice of fund for members of West State Super, due to the largely unfunded nature of the scheme.

(5)-(7) Employee choice of fund is not under active consideration but the Government will review its position when and if the Commonwealth legislation becomes law. Legislative amendments currently before the Legislative Assembly will provide an opportunity to consider more modern member investment choice arrangements for West State Super members.

SUPERANNUATION FUNDS, RATES OF RETURN

862. Hon N.D. GRIFFITHS to the Minister for Finance:

(1) For each of the last three completed financial years what is the rate of return to members for -

(a) West State Super;
(b) Gold State Super; and
(c) Pension scheme run by the Government Employees Superannuation Board?

(2) How do these rates of return compare to that provided by other significant superannuation funds in Australia?

Hon MAX EVANS replied:

(1) (a) Interest is credited to West State Super member accounts at the guaranteed rate of CPI (Perth index) plus 2%. For the last three completed financial years this rate has been:

1996/1997 - 5.63%
1997/1998 - 2.94%
1998/1999 - 2.00%

(b) Not applicable, as Gold State Super is a defined benefit scheme.

(c) Not applicable, as the Pension Scheme is a defined benefit scheme.

(2) In general, for the years in question the interest credited to member accounts by comparable size funds would have been a higher rate than the interest credited in West State Super.

GOVERNMENT EMPLOYEES HOUSING AUTHORITY, 36 MILLER WAY, BROOME

863. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Housing:

(1) When will GEHA carry out the repairs and renovations required for the Ministry of Justice government employee's house at 36 Miller Way, Broome (Lot 1768)?

(2) Does GEHA accept that major renovations are required at this property, particularly to renovate the kitchen area?

(3) Will GEHA undertake a roof and cavity inspection of the existing electrical system at this property to assess the current wiring systems safety?

(4) If not, why not?

Hon MAX EVANS replied:

(1) Repairs and renovations have been completed.

(2) Not applicable.

(3) Electrical repairs have been completed.

(4) Not applicable.

HOME LENDING MARKET, COMPULSORY COMPARISON RATE

865. Hon J.A. COWDELL to the Minister for Finance representing the Minister for Fair Trading:

(1) Will the Government follow the lead of the NSW Labour Government in introducing a compulsory comparison rate in the home lending market?

(2) If not, why not?

Hon MAX EVANS replied:

(1)-(2) Currently the Consumer Credit Code provides that the use of comparison interest rates is optional but that if lenders advertise comparison rates they must use a set formula. The subject of compulsory comparison rates was considered at the meeting of the Ministerial Council on Consumer Affairs held in Hobart on 20 August 1999. The majority of jurisdictions agreed at that meeting that the issue needed further consideration to ensure that consumers are advantaged by compulsory comparison rates. The Commonwealth Minister for Financial Services and Regulation has sought advice on the matter from the Commonwealth Consumer Affairs Advisory Council. The Ministerial Council on Consumer Affairs has directed the matter be examined as part of the current review of the Consumer Credit Code being undertaken by the Uniform Consumer Credit Code Management Committee. Western Australia, along with most other jurisdictions, intends awaiting the outcome of these processes before deciding whether to support compulsory comparison lending rates.

BUILDING AND CONSTRUCTION INDUSTRY TRAINING COUNCIL, CONSULTANCY INTO INFORMATION NEEDS ANALYSIS

875. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

(1) Can the Minister for Employment and Training please advise the budget endorsed by the BCITF Board for the BCITF Board's consultancy into Information Needs Analysis?

(2) Can the Minister explain the rationale and justification of this consultancy given that the information provided in the consultant's briefing paper clearly indicates the intention to duplicate the role and function of the BCITC within the organisational structure of the BCITF?

(3) Can the Minister confirm that this duplication would be a contradiction of the fundamental outcome of the Hitchen Review to separate the two organisations?

(4) Has Mr Hitchen, now a Board Member, altered his view to satisfy the Ministers obsession with excluding the building unions from providing input into the training needs of the industry?

(5) Who was the author of the consultants briefing paper and what was the cost?

Hon N.F. MOORE replied:

(1) The BCIT Board's Information Needs Analysis project has been established in two stages. The stages are contractually independent and the Board has approved a budget for completion of stage 1 of $36,920. The estimated cost of stage II is $39,000. A decision to proceed beyond stage 1 has not been made.

(2) Carrying out an Information Needs Analysis project is an approach used by many organisations in the public and private sector to identify the organisation's management information needs and information system strategies. Such projects are common business practice to ensure that an organisation has the best information available to support decision making and day-to-day operations. The project is being undertaken to ensure that the BCIT Board is properly supported in achieving its legislative obligations.

(3) The BCIT Board Information Needs Analysis project has a primary objective to provide the most appropriate information support for the Board's decision making. The Board will achieve this objective through the project and will avoid unnecessary duplication.

(4) The Honorable Member may wish to approach Mr Hitchen regarding his views. I am informed that during the preliminary stages of the BCITF Information Needs project both the BCITC and unions have been consulted.

(5) The Consultant briefing paper was prepared by the BCITF secretariat. There were no external costs.

INDUSTRY TRAINING PLAN

876. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

(1) Can the Minister for Employment and Training advise the authority by which he has accepted the State Training Board's recommendation that managing agents undertake non-core functions for the completion of the Industry Training Plan?

(2) Is the Minister aware that the Victorian Government Enterprise Training Advisory Body System for building and construction will be reversed in the year 2000 on the basis of skewed advice received in Industry Training Plans?

(3) Can the Minister advise whether or not the Department of Training and Employment has assisted in the rewriting of Industry Training Plans for building and construction ANZSIC codes since receipt of these ITPs on April 30 1999?

(4) If so, could the Minister indicate which ones have been added to in any way by public servants within the Department of Training and Employment?

Hon N.F. MOORE replied:

(1) Under the *Vocational Education and Training Act 1996* the State Training Board has among its functions the provision of advice to the Minister on industry related vocational education and training matters. For this purpose, the Board has the function of recognising industry training advisory bodies. The Board does not interfere with the internal arrangements of these bodies.

(2) No.

(3) The Industry Training Plans were not rewritten, but minor modifications were requested in relation to the specified ANZSIC coverage within one of the Industry Training Plans.

(4) Not applicable.

DEPARTMENT OF TRAINING, REQUEST FOR QUOTATION 619

878. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

(1) Will the Minister for Employment and Training provide the details of the budget for the Department of Training and Employment's request for quotation 619?

(2) Will the Minister explain the need for this handbook and the justification of the expenditure of taxpayers' funds to support the Minister's ideological establishment of employer association managed industry training advisory bodies?

(3) Will the Minister confirm that, in light of this consultancy, it is the Government's intention to replace the current ITC network with employer based ITAB's for both the core and non-core services?

Hon N.F. MOORE replied:

(1) Deliberations have not been finalised on the evaluation of applications for quotation 619.

(2) The development of the Handbook was initiated in response to advice received from an Advisory Group established by the State Training Board in 1997 to provide advice on the roles of recognised industry training advisory bodies. The Advisory Group, consisting of Industry Training Council and Department of Training and Employment representatives, proposed the development of a Handbook that could be used as a resource, support and induction document by recognised industry training advisory bodies. It was also proposed by the Advisory Group that the Handbook incorporate work protocols for recognised industry training advisory bodies.

(3) Under the *Vocational Education and Training Act 1996* it is the function of the State Training Board to recognise industry training advisory bodies for the purposes of providing industry advice to the Board.

BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND BOARD, CONSULTANT SELECTION PROCESS

879. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

(1) Can the Minister for Employment and Training describe the selection processes endorsed by the BCITF Board for the selection for the consultant to undertake the "Information Needs Analysis" consultancy advertised in *The West Australian* newspaper on August 21 1999?

(2) Can the Minister advise whether these procurement policies are consistent with admission of supply, public sector management and *Financial Administration and Audit Act* requirements?

(3) Can the Minister confirm whether the selection panel for the above consultant will be gender fair and consistent with other Ministerial undertakings to ensure greater participation by women in these matters?

Hon N.F. MOORE replied:

(1) The selection process for the consultant was in two stages. The first stage to achieve the short list and the second stage to select the final consultant for the project. An external evaluation consultant also used by CAMS was employed. Evaluation was based on the consultant's methodology which recognised public sector requirements. The final selection was based on the outcome of the evaluation process.

(2) The BCIT Board has used an open and transparent process which is in line with Government procurement policy.

(3) The selection panel was appropriately constituted.

ALINTAGAS, CAPEL

883. Hon J.A. COWDELL to the Leader of the House representing the Minister for Energy:

(1) Is the Minister for Energy aware that residential properties in Capel are not connected to the AlintaGas network and still rely on bottled gas?

(2) Is the Minister aware that mines in Capel are connected to the AlintaGas network?

(3) Does the Government intend to connect residential properties in Capel to the AlintaGas network?

(4) If so, when?

(5) If not, why not?

Hon N.F. MOORE replied:

(1)-(2) Yes.

(3) No, it is not intended to extend a gas supply into the Capel townsite.

(4) Not applicable.

(5) Several surveys have been done over the past 3 years and it is not commercially viable at this time to reticulate a natural gas supply around Capel townsite.

GANTHEAUME POINT TOURIST DEVELOPMENT, PEARL BAY RESORT DEVELOPMENT

889. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Lands:

(1) Did the Minister for Lands, in front of the Premier, the Leader of the Government in the Upper House, other Ministers and Councillors from the Shire of Broome, state in Broome late last month that he had no alternative but

to recommend Pearl Bay Resort Development as the developer of Gantheaume Point because the other short-listed applicant had withdrawn?

(2) Can the Minister table that withdrawal document?

(3) Is it correct that in relation to an advertisement placed in *The Weekend Australian* on September 25/26 1999 by LandCorp under the heading "Tourism Development Opportunities" and highlighting Broome Gantheaume Point, LandCorp has refused to return and answer calls from the Shire of Broome trying to find out why the State Government/LandCorp are touting for development opportunities if there is a Memorandum of Understanding with Pearl Bay Resort to develop the site?

Hon MAX EVANS replied:

(1) The other short-listed developer had withdrawn which left no alternative developer to Pearl Bay Resort Developments.

(2) Yes. [See paper No 414.]

(3) No.

QUESTIONS WITHOUT NOTICE

NARRROWS BRIDGE, ROAD SAFETY AUDIT

589. Hon TOM STEPHENS to the Minister for Transport:

A road safety audit was carried out in June 1998 by private contractors on the proposed widening of the Narrows Bridge.

(1) When the road design for the duplication was completed in August-September this year, was this road design submitted for comment by that road safety auditor or any other road safety auditor?

(2) If so, did the road safety auditor provide any comment on the duplication road design?

(3) If so, will the minister now table the documentation associated with the road safety auditor's comment on the design of the duplication?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1) The road design for the duplication is not yet complete. However, under the terms of the Narrows Bridge duplication contract the private contractor is required, as part of the design process, to commission a road safety audit at the completion of the final design.

(2)-(3) Not applicable.

RAILWAY SLEEPERS

590. Hon TOM STEPHENS to the minister representing the Minister for the Environment:

I refer to the Minister for the Environment's answer to question 966 of 24 June 1999 in the other place in which she completely agreed with the comments of the Deputy Leader of the National Party during debate on the High Conservation Value Forest Protection Bill that "we do not need to cut down good timber to make railway sleepers".

(1) Has the Minister for the Environment spoken to the Minister for Transport in relation to this issue since 24 June 1999; and, if so, on what occasions?

(2) What steps has the Minister for the Environment taken to persuade the Minister for Transport that the Government should no longer be using timber railway sleepers?

(3) What responses has the Minister for the Environment received from the Minister for Transport?

(4) Has the RFA contributed to fewer timber sleepers being used; and, if so, how many, and what is the basis for this answer?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) Cabinet as a whole has considered this issue and on 27 July 1999 the Premier announced an accelerated restructure of the forest industry. This included a commitment that no new contracts would be written for native timber for use as railway sleepers, other than from third-grade timber and then only if the new State Conservation Authority determines that there is no more valuable use for the timber.

(2) The Minister for the Environment is aware that in the light of the Premier's announcements the Minister for Transport has requested Westrail to carry out a review of its sleeper procurement policy.

(3) The minister is aware that significant progress has been made in the review of Westrail's sleeper procurement policy initiated by the Minister for Transport. The minister will continue to work closely with the Minister for Transport on this issue.

(4) No new contracts have been let for jarrah sleepers. In the current financial year the minister advises that 50 per cent of all sleepers being placed in the railway system are steel. In addition, all new track construction in the urban electrified rail system will have concrete sleepers. Concrete sleepers are also being used in the sleeper replacement program on the existing urban network. Westrail is examining all viable alternatives to using timber sleepers and the Commonwealth Scientific and Industrial Research Organisation is currently considering the feasibility of producing railway sleepers from blue gum plantation stocks.

STATE BUDGET, INSURANCE REVENUE

591. Hon N.D. GRIFFITHS to the Minister for Finance:

I refer to the answers to my questions yesterday and on Tuesday regarding revenue projections.

(1) Can the minister now say what he meant by the words "insurance policies could be up by $12m"?

(2) What are the reasons for that amount?

(3) How is the figure broken down?

Hon MAX EVANS replied:

I ask that the question be put on notice as it has more than one part.

BUSES, MERCEDES-BENZ

592. Hon J.A. SCOTT to the Minister for Transport:

(1) Now that the minister has met with representatives of Mercedes-Benz to discuss the deal to purchase buses, will Mercedes-Benz still provide the five compressed natural gas powered buses; and, if so, when?

(2) Will these buses use multipoint sequential fuel injection technology?

(3) Will Transperth access the rebates offered to CNG users from the Australian Greenhouse Office; and, if so, will the minister give details?

(4) Will Perth be benefitting from the high-speed CNG refuelling facilities which are being provided to other cities through the Australian Greenhouse Office?

(5) If not, what steps has the minister taken to ensure that Western Australia does not miss out on this important opportunity?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1)-(5) I have held discussions with Mercedes-Benz and reaffirmed that the State Government will have five new CNG buses. The multipoint fuel injected gas engines will be subjected to rigorous independent testing at a facility capable of certifying that the engines meet the stringent Euro III standards. The engines will also be required to meet essential performance parameters.

Transport's existing refuelling facilities at Malaga will meet the additional capacity resulting from the introduction of a further five gas buses in the Transperth fleet. It is the Government's intention to avail itself of additional financial assistance available through the Australian Greenhouse Office. I also advise the House that at the recent Australian Transport Council meeting held in Perth, all Ministers for Transport emphasised the importance of developing performance-based measures to improve vehicle emissions. It was agreed that the energy credits scheme provides an opportunity to pursue a performance-based approach in promoting the move to cleaner fuels. The Commonwealth undertook to address this issue in developing the scheme. The suggestion of outcome measurements was pursued by me because it means that we would concentrate not only on fuels but also, and more importantly, on emission outcomes from whatever fuels are used.

PERTH CITY COUNCIL, LICENSED PREMISES

593. Hon NORM KELLY to the Minister for Racing and Gaming:

(1) Does the minister endorse the Perth City Council's trial involving three licensed venues in which the capacity of the premises will be doubled from one to two persons per square metre?

(2) If not, will the Government be raising its concerns with the Perth City Council?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) I am aware that the Health Department, which regulates the number of people permitted in certain places of

entertainment, has been negotiating with certain sections of the liquor industry to change the formula which determines how many people are permitted to be on premises. Hotels and nightclubs come under these regulations. I am advised that for a trial period the Health Department and the Perth City Council have selected three venues in Northbridge to try the new formula which will allow for increased numbers, provided that additional safeguards are put in place. If the trial encourages licensees to remove tables and chairs at which people can sit and eat while drinking liquor, I do have concerns. The opportunity to sit at tables and be able to eat at the same time as drink liquor is an important aspect of the responsible serving and consumption of liquor.

(2) At this stage I do not propose to express my concerns formally to the Health Department or the Perth City Council. I will await a report on the trial before making any comment.

REGIONAL COMMUNITIES, ACCESS TO DRUGS

594. Hon MURIEL PATTERSON to the minister representing the Minister for Health:

Can the minister outline what lengths the Health Department goes to ensure that regional communities have access to an appropriate range of drugs when there is a lack of private pharmaceutical outlets but access to hospital and medical services?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

The supply of pharmaceuticals to non-hospital patients is a commonwealth government responsibility and there are a number of systems operating to enable people living in regional communities to have access to pharmaceuticals. These include mail order pharmacies and recently the Commonwealth introduced special access for remote communities through section 100 of the National Health Act. The Health Department of Western Australia works in cooperation with the pharmacy profession to develop depots in towns where there is no pharmacy to enable patients to gain access to pharmaceuticals used in the treatment of chronic medical conditions. Depots are a facility developed by community pharmacists in towns where there is no pharmacy. They provide a service to the town through having prescriptions and requests for other medical requirements sent by facsimile to a prearranged community pharmacy, and the supplies are generally delivered within 24 hours. The Health Department also provides authorisations under the Poisons Act 1964 for health providers such as the Aboriginal Medical Service and Royal Flying Doctor Service to provide pharmaceuticals for the treatment of acute medical conditions during their medical clinics. Remote area nursing posts are also authorised under the Poisons Act to provide a limited range of pharmaceuticals to patients for the treatment of acute medical conditions.

CHILD PROSTITUTION

595. Hon CHERYL DAVENPORT to the Attorney General representing the Minister for Police:

(1) Are the police aware of any children working as prostitutes in Perth?

(2) If so, how many children are involved?

(3) Have the police brought this matter to the attention of Family and Children's Services?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) Yes.

(2)-(3) A number of under-age females are believed to be soliciting for the purposes of prostitution in the Perth police district. Police have provided details of one these persons to Family and Children's Services where she is being case managed by that agency. Where other children are located engaged in prostitution, Family and Children's Services will be advised.

EDUCATION DEPARTMENT, HUMAN RESOURCES MANAGEMENT INFORMATION SYSTEM

596. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Education:

I refer to the Auditor General's "Public Sector Performance Report 1999" which states that the cost of the Education Department's human resources management information system increased to $13m at August 1998 following reviews of the project scope and approach.

(1) Have any further increases in the costs of this system been identified since August 1998?

(2) If so, what increased costs were identified, when were they identified and from what did these increases arise?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1)-(2) The only additional expenditure on the system since August 1998 has related to needs inherent in any such system, such as staff training, technical support, maintenance and refinement of the system and planning for future upgrades of the system. A budget for this was always to be required, and the Education Department had funds identified for these purposes.

VANSTONE, ANNE, DINNER SET

597. Hon LJILJANNA RAVLICH to the Leader of the House representing the Premier:

(1) Can the Premier confirm that counsel assisting the Marks Royal Commission Into Use of Executive Power, Anne Vanstone, purchased a dinner set with taxpayers' money while engaged by the State Government?

(2) If so, what was the value of the dinner set.

(3) Did she keep it when she returned to the eastern States? If so, was that part of her employment contract?

(4) If not, what has become of the dinner set now?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. I ask that it be placed on notice.

WESTRAIL, TIMBER SLEEPER CONTRACTS

598. Hon CHRISTINE SHARP to the Minister for Transport:

Some notice has been given for the first part of the question.

(1) Can the minister please table all current contracts to supply Westrail with timber sleepers?

(2) Has the minister been approached by or discussed with any of his officers proposals for further future tenders or contracts to supply timber sleepers to Westrail?

Hon M.J. CRIDDLE replied:

That is not the question that I have. There is an extension to the question that has been placed on notice.

The PRESIDENT: The member is entitled to ask you a question because you have responsibility for the portfolio. If she decides to vary the question it is up to you whether you answer.

Hon M.J. CRIDDLE: I will answer the first part of the question. Hon Christine Sharp can put the second part on notice. Westrail does not have any current contracts for the supply of timber sleepers.

NATIVE TITLE UNIT, MEETINGS WITH NATIVE TITLE WORKING GROUP

599. Hon HELEN HODGSON to the Leader of the House representing the Premier:

(1) On how many occasions since 23 December 1998 has the Premier, members of the native title unit or consultants to the native title unit met with the Western Australia Aboriginal Native Title Working Group in respect of the Western Australian Native Title (State Provisions) Bill?

(2) In respect of each meeting, what was the date, the duration, and who represented the Government?

(3) Was the purpose of each meeting -

(a) to seek the views of the working group on what the legislation should address;

(b) to brief the working group on the content of the legislation; or

(c) some other purpose; and, if so, what was that purpose?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) Since the announcement by the Government that it intends to introduce new state provisions legislation, officers of the native title unit have offered to brief the WA Aboriginal native title working group on proposals for the new legislation. The representatives of the group advised that they did not want to meet until such time as a Bill was available. It should be noted, however, that the working group has indicated its opposition to the introduction of a consultation regime in respect of coexisting tenure lands as is provided for under the Native Title Act. The working group has indicated it seeks to retain the right to negotiate in respect of such lands, and has not indicated that it will move from that position in any way. Given that the primary focus of the new Bill is the establishment of a consultation regime and that otherwise the principles embodied in the legislation do not vary greatly from that taken in earlier state provisions legislation, the prospect of an agreed position being achieved between the Government and the working group is minimal. Nevertheless, the Government will continue to seek to consult with the working group and with other relevant parties.

(2)-(3) Not applicable.

KWINANA FREEWAY EXTENSION, CONSTRUCTION TIMETABLE

600. Hon SIMON O'BRIEN to the Minister for Transport:

Can the minister detail the scope of the Kwinana Freeway extension and the construction timetable for this project?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question. Yes, I am pleased to say that the Thiess Contractors Pty Ltd have been awarded a contract valued at $128m. I was on site this morning with members of the project team to meet representatives of the local community. This is a project which the local community has been looking forward to for some time. The really good news is that work will start next month and will be finished in June 2001, which is five months ahead of the previously announced completion date. The project will generate at least 200 jobs and involves the removal of traffic lights at the five intersections on the existing freeway, extension of the freeway from Thomas Road to Safety Bay Road - a distance of 12 kilometres - and upgrading of Safety Bay Road to dual carriageway. There will be interchanges at Mortimer and Mundijong Roads on the new extension and at the junction of Safety Bay Road with Ennis Avenue. There will also be a dual-use path along the freeway with grade separation for cyclists and pedestrians at all interchanges. This project is part of the Government's TransformWA package which is designed to improve public transport and road network safety and efficiency throughout the State over the next 10 years. The Kwinana Freeway bridges and extension form part of a massive boost to southern suburbs transportation which includes the bus transit way along the freeway, duplication of the Narrows Bridge to improve safety and traffic flow, and plans for the south west metropolitan railway. The roadworks that I announced this morning will contribute to the economy and lifestyle of those who work and visit the south west and Peel regions. I acknowledge the efforts and support of the member for the South Metropolitan Region, Hon Simon O'Brien, and the member for Southern River, Monica Holmes. This major infrastructure project will not only assist the residents of these southern suburbs, but also benefit the whole southern region through a more efficient and safer transport system.

NARROWS BRIDGE DUPLICATION, SURCHARGE EMBANKMENTS

601. Hon TOM STEPHENS to the Minister for Transport:

I refer to the Narrows Bridge duplication.

(1) How long will the surcharge embankments be in place on the river banks before the construction commences?

(2) What advice has Main Roads received concerning the adequacy of the surcharge embankments in terms of size, weight and duration of preloading?

(3) Have any Main Roads personnel or contractors raised concerns about the adequacy of the surcharge embankments?

(4) If yes, what concerns were raised?

(5) How long were the surcharge embankments in place before the original bridge was built?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1) Removal of surcharge will commence next week and all surcharge is anticipated to be removed by the end of January 2000.

(2) The surcharge embankments were designed by a consulting geotechnical engineering firm.

(3) No concerns about the surcharge have been raised with the project director responsible for the works.

(4) Not applicable.

(5) Reclamation of the river from the approaches to the Narrows Bridge commenced in 1955 and was completed in 1959. However, the geotechnical difficulties that had to be overcome at that time were much greater than those associated with the current surcharging.

CSR EMOLEUM ROAD SERVICES MID WEST TERM MAINTENANCE CONTRACT

602. Hon KIM CHANCE to the Minister for Transport:

(1) Is the minister prepared to table the clauses of the $244m CSR Emoleum Road Services mid west term maintenance contract which set out the company's obligations in relation to regional development and purchasing and establish the penalties for non-compliance?

(2) If so, will the minister undertake to table them by close of business on Tuesday next week?

(3) If the minister will not table the clauses of the maintenance contract, will he tell the House the reason?

Hon M.J. CRIDDLE replied:

(1)-(3) I give an assurance that I will take up the opportunity to look at that and make a decision. We will then come to an arrangement at the close of business on Tuesday.

WESTRAIL, STOCKPILED RAILWAY SLEEPERS

603. Hon TOM HELM to the Minister for Transport:

(1) In relation to the Government's continued use of native timber for railway sleepers, will the minister confirm that Westrail is using only stockpiled native timber for this purpose, and can he give an assurance that no new stocks of native timber are being, or will be, used for this purpose?

(2) Will the minister table a copy of the review carried out by the Commissioner of Railways on this issue?

(3) If not, why not?

Hon M.J. CRIDDLE replied:

(1)-(3) I answered a similar question yesterday, but it was not quite the same. Westrail is operating from stockpiled sleepers at the moment, and it is very close to running out of that stockpile. The review I mentioned yesterday is close to completion, and I will take it to the Government for decision. I want to complete the process before I consider tabling the review.

OLD-GROWTH JARRAH

604. Hon J.A. COWDELL to the minister representing the Minister for the Environment:

I refer to the answer from the Minister for the Environment on 11 November 1999, and ask the Minister for the Environment to advise what proportion, as a percentage and in cubic metres, of the quantity of jarrah harvested in 1998-99 was old growth?

Hon MAX EVANS replied:

I thank the member for some notice of this question. The calculation of the volume of timber harvested from the old-growth component will involve a detailed analysis of the logging operations and geographic information system of the Department of Conservation and Land Management on an individual coupe basis. The complexity of such an analysis means that it will take some time to perform.

IRON AND STEEL (MID WEST) AGREEMENT ACT 1997

605. Hon GIZ WATSON to the Leader of the House representing the Minister for Resources Development:

With reference to the Iron and Steel (Mid West) Agreement Act 1997 -

(1) Will the Iron and Steel (Mid West) Agreement Act be extended?

(2) If yes to (1), will the Act need to be amended?

(3) If yes to (2), by what date will it need to be amended?

(4) If yes to (2), by what parliamentary process will the agreement be extended?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) By "extended", the Minister for Resources Development assumes that the member means extension of the date to submit development proposals. This date is currently 31 December 1999. Kingstream Steel Ltd has recently requested an extension of this date, and the Minister for Resources Development intends to approve an extension to 31 December 2000. Kingstream has undertaken considerable work over the past 12 months. This includes selection of the steel plant consortium, further determination of iron ore resources at Weld Range and the beneficiation test work on Koolanooka ore. The extension of time is required to complete the fundraising program and to obtain project approvals.

(2) No. Under the provisions of the Iron and Steel (Mid West) Agreement, at the request of the company, the Minister for Resources Development can extend periods and vary any date referred to in the agreement.

(3) Not applicable.

(4) Not applicable. However, the process to extend the date for submission of proposals is included in clause 34 of the agreement that was ratified by Parliament in 1997.

TECHNICAL AND FURTHER EDUCATION COLLEGES

606. Hon JOHN HALDEN to the Leader of the House representing the Minister for Employment and Training:

For each technical and further education college, will the minister table the following information -

(a) The year in which the college management information system was implemented;

(b) the year the CMIS was implemented on a stand alone basis;

(c) the total student contact hours recorded on the college CMIS for 1997, 1998 and 1999; and

(d) the target student contact hours for 1997, 1998 and 1999?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. As the information requested is not able to be provided in time for question time today, I ask that this question be placed on notice.

BUNNINGS' NANNUP AND WHITTAKERS' GREENBUSHES SAWMILLS

607. Hon BOB THOMAS to the minister representing the Minister for the Environment:

With regard to the Bunnings' Nannup and Whittakers' Greenbushes sawmills -

(1) What will happen to the Nannup mill's existing allocation of 40 000 cubic metres of jarrah per annum?

(2) How much jarrah will be allocated to the new owners of the Nannup sawmill?

(3) How much jarrah, karri and pine has been allocated to Whittakers' Greenbushes sawmill?

(4) What are the details of Cabinet's recent decision on Whittakers' Greenbushes sawmill?

(5) Why has this Cabinet decision not been announced?

(6) How much jarrah and karri allocation has been purchased back from sawmills, and from which mills was the allocation purchased?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) There is no existing allocation of 40 000 cubic metres of jarrah per annum to the Nannup mill. The Department of Conservation and Land Management has a contract with Bunnings Forest Products Pty Ltd for 118 000 cubic metres per annum from the southern and Nannup supply areas. The company has the option to mill this timber at any of its mills.

(2)-(3) As part of the finalisation of the Regional Forest Agreement, the Government announced it was prepared to allocate 20 000 cubic metres of jarrah to assist in the transition to a new mill at Nannup.

(4)-(5) The Government has agreed to provide financial assistance for the establishment of a viable timber operation at Greenbushes. The Government will announce details when negotiations are completed.

(6) Business exit options are currently being explored.

LAND TAX REVENUE, PROJECTED INCREASE

608. Hon N.D. GRIFFITHS to the Minister for Finance:

(1) Is the projected increase in land tax revenue of $11m over budget substantially due to land price inflation being higher than that envisaged in the budget parameters?

(2) Will a new scale of land tax be introduced to get rid of this unbudgeted imposition?

(3) If so, what is the Government's timetable for doing this?

Hon MAX EVANS replied:

(1)-(3) I must give the honourable member a lesson in history. In March or April every year a valuation of all properties is carried out to calculate how much revenue land tax will produce. The Government has scaled back to $200 000 from $700 000 for self-funded retirees who have residences and whose land tax is increasing. As a result, we have kept it in line with only a small percentage increase each year. If people's property does not increase in value, their land tax rate will go down. I can provide a schedule showing how many have lower land tax. All these assessments have gone out now, and the Government has done the right thing in doing that. Many years ago under the previous Government, properties were valued only every three years, and the increases were spread over that period. One year the rate went up too much so the Government re-issued all the assessments in order to remove the political pain. This Government does not intend to do that. The overbudgeted figure is $11m from a total of $195m, so it is not a big percentage. Part of that, from memory, is a result of legislation passed after the budget figures were prepared which provided $4m to $5m from LandCorp; I do not have the exact figures. It would cost a couple of million dollars to re-assess the 140 000 to 150 000 properties and reprint the assessments, and some people have already paid their rates. The Government has reduced the tax rate in six out of the past seven years; that is very responsible.

MINING, DISUSED MINE SHAFTS

609. Hon TOM STEPHENS to the Minister for Mines:

I refer to the large number of disused mine shafts in Western Australia and ask -

(1) What is the estimated number of disused mine shafts in WA?

(2) What is the preferred method and cost of making them safe?

(3) Whose responsibility is it to make them safe, and will the minister table all advice in this regard?

(4) Is the responsibility for making safe disused mine shafts on lands vested in a local authority the responsibility of that authority?

(5) What funding has the State Government allocated to making disused mine shafts safe this financial year and from what source have those funds been allocated?

Hon N.F. MOORE replied:

I thank the member for some notice of this question and congratulate him on finding such a thing as disused mine shafts in the recent week.

(1) There are approximately 10 000 gold and 2 000 non-gold historic production minesites, which on results to date of the inventory currently being compiled have about eight shafts or pits per site.

(2) The preferred method for making them safe would vary depending upon local conditions at each specific site but might include signage, fencing, steel wire mesh closures, steel gate or grate closures, bulkheads, concrete caps or backfilling. The cost of making them safe would clearly depend on the method applied and the location. An indicative cost of backfilling and capping 35 abandoned shafts around Ravensthorpe during a government program in 1995-1997 was approximately $127 000, giving a cost per shaft of approximately $3 700.

(3) Responsibility for disused mine workings may vary from site to site depending upon land tenure and status. The Occupiers Liability Act 1985 provides a duty of care for the occupier of land or premises with respect to persons who may enter that land or premises. With regard to the Leader of the Opposition's request that advice on this issue be tabled, I will ask the Department of Minerals and Energy to research the matter, and the Leader of the Opposition will be advised in due course.

(4) An "occupier of premises" is defined in the Occupiers Liability Act 1985 as a "person occupying or having control of land or other premises". To the extent that a local authority is an occupier, the Act would have application. However, without the detailed facts of any particular case, it would not be possible to give a definitive answer.

Hon Tom Stephens: So the advice that you gave was wrong?

Hon N.F. MOORE: I indicated then that as far as the State was concerned, ultimately it would be responsible, but that would depend to a large extent on each circumstance. I think I explained that too, if the member was listening.

Hon Tom Stephens: You did not. I was listening.

The PRESIDENT: Order! I am listening to the minister's answer.

Hon N.F. MOORE: I sought to explain at a meeting on Friday - and I congratulate the Leader of the Opposition for discovering this issue - that in response to a question about who was responsible, I thought that because the State issued mining licences and granted tenements, ultimately it would be responsible. I am now advised that a number of circumstances apply to each case. I also explained at the meeting, if the member was listening, that in the case of tenements that have been operating since 1985, the owner of the mine is responsible, because under the new arrangements in respect of environmental conditions, the owner is required under current legislation to make the minesite safe.

(5) None, however, $350 000 has been allocated from consolidated revenue to develop a statewide inventory of abandoned minesites as a necessary precursor to the rehabilitation of these sites. This program is also in the forward estimates for the next two years.

RETIREMENT VILLAGES DISPUTES TRIBUNAL, OUTSTANDING CASES

610. Hon CHERYL DAVENPORT to the Minister for Justice:

I refer to the answer provided to question without notice 498 of 9 November in which the Minister advised that one case lodged with the Retirement Villages Disputes Tribunal remains outstanding.

(1) Can the minister confirm that an application for a tribunal hearing in this case was lodged with the Retirement Villages Disputes Tribunal on 21 December 1998?

(2) When will this outstanding case be listed?

(3) Can the Minister advise the reasons for the delay in setting a hearing date?

(4) What was the nature of each of the 13 claims heard by the tribunal?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) Yes. However, the application was subsequently amended by the applicant in November 1999.

(2) The case was originally listed for directions hearing in March 1999, further hearing on 8 November 1999, and adjourned to 23 November 1999.

(3) At the hearing of March 1999, the applicant undertook to provide an affidavit setting out details of the claim. The applicant did not provide that affidavit until mid-May 1999. The affidavit was then referred to the respondent for an affidavit in response. Many long letters were received from the respondent; however, no affidavit was provided. The matter was listed for hearing on 8 November 1999, but the respondent, who is a totally and permanently incapacitated ex-serviceman, was unable through ill health to attend. The matter was adjourned and relisted for Tuesday, 23 November 1999.

(4) As this information will need to be extracted manually from records kept in storage, it will be provided to the member as soon as it is available.