WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
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LEGISLATIVE COUNCIL

Thursday, 12 June 1997

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 11.00 am, and read prayers.

MOTION - WESTERN AUSTRALIA POLICE FORCE

Establishment of Royal Commission

Resumed from 11 June.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [11.02 am]: Bernard Bosanquet in *Some Suggestions in Ethics* says that a community in which there is injustice must be full of pain and bad conscience in so far as its mind is active.

Hon Derrick Tomlinson interjected.

Hon TOM STEPHENS: Does Hon Derrick Tomlinson like the quote?

Hon Derrick Tomlinson: I do.

Hon TOM STEPHENS: I hope it convinces him to support the motion. Nothing could be truer in Western Australia at the moment than that quote. Although the Government was elected on the claim that it was to be the antidote to corruption in the State, it has now claimed as its own the veil of secrecy of public scrutiny which it vowed to remove.

Accountability and openness are regrettably merely catchcries for this Government at election time. It uses royal commissions to damage political foes and refuses to provide the Western Australian people the one thing they desire most at this time - that is, faith in their Police Force. *The West Australian* editorial of 3 June says:

> The WA royal commission had a high level of community support in its exposure of improper conduct among politicians and public servants - and no one on the conservative side of politics complained about its costs or the few prosecutions flowing from it.
>
> Cost should not be a consideration when the community's confidence in the police service is at stake.

At this moment the community's confidence is shaken to the core and the blame for that must be sheeted home to this Government. Instead of protecting the Police Service, as it could, by full and open scrutiny, it chooses to cloud behind a veil of secrecy the concerns and inquiries that should be conducted into its operations. The Government's botched attempts to sweep this issue under the carpet continue to undermine the confidence of the community. The fact is that the Police Service's operations must be transparent, given the boom in the number of heroin related deaths in Western Australia and the burgeoning drug trade, which is worth up to $1.5b in this State alone. The Government knows that the public wants a royal commission along the lines of the New South Wales' royal commission, which led to such wholesale changes in its Police Service - and for good reason.

Hon Derrick Tomlinson: Do you have any figures on the convictions?

The PRESIDENT: Order!

Hon TOM STEPHENS: Members should note that this motion follows almost identically the words of the motion moved by the former Independent MLA, John Hatton, in the New South Wales' Parliament in the lead-up to the calls for the royal commission in that State. The Opposition has adopted that text because it is an appropriate motion to be carried by this House.

Some of us well remember the images of senior police officers exchanging illicit drugs for sex with prostitutes. Do members remember the bribe money that changed hands in the front seat of cars? The Premier and the Minister for Police would have us believe that, despite that we know that organised crime exists in Western Australia, those things do not happen to the same extent here and certainly not to the extent that they would warrant a royal commission.

We have news for the Government. Crime does not stop at the border. It does not stop at the rabbit-proof fence any more. Even if one-fifth of the corruption cited in the NSW royal commission occurred in Western Australia, a royal commission would still be needed in this State. Yet, the Premier continues to describe the Queensland and New South Wales royal commissions as unproductive. He must be the only person, one would hope, of that view. His beliefs contrast with the statement of Graeme Charlwood, the Anti-Corruption Commission's chief investigator, which described the New South Wales' royal commission as a success and that it achieved results.

The ACC, the Government's preferred option to investigate this matter, has already admitted in *The West Australian* of 2 June that even though the commission might have suspicions concerning a matter, and despite the most thorough investigation, sometimes it is not possible to gather sufficient evidence to warrant further action or the laying of charges. If, by its own admission, the ACC finds it difficult to substantiate corruption charges, should we not then hand the matter over to the body with the most far-reaching powers of all - a royal commission?

The case for a royal commission is clear. There is community support for it. Julie Wager, of the Western Australia Criminal Lawyers Association, says that up to 10 per cent of her clients charged with drug or dishonesty offences claim that the police have acted dishonestly. The fact that the former Deputy Police Commissioner Des Ayton has thrown his weight behind calls for a judicial inquiry into police corruption is indeed relevant. He said that the Government had squandered the opportunity to make the WA Police Force the cleanest in Australia when it ignored the findings of the Tomlinson committee, which found that corruption was endemic in sections of the force.

Hon Derrick Tomlinson: You mean the Select Committee on Western Australia Police Service.

Hon TOM STEPHENS: John Hatton, one of the most respected people in Australian politics, said that it is not only ridiculous but quite stupid to suggest that the sorts of problems that exist in NSW, and have been found to exist in Queensland, stop at the borders of WA. The revelation by Police Commissioner Falconer that more than a quarter of the detectives in the drug squad are being investigated over allegations made against them, in itself supports this call for a royal commission. The case is clear. It is a grave mistake for the Government to ignore the raft of complaints against the police. For the Government to hide from the community calls for a full and open inquiry is ridiculous. It is offensive. It is quite sick that a Government would argue so passionately to protect presumably itself, and only itself, from the activities of a royal commission.

Only by letting the Western Australian public into the process of review of the operations of the Police Service will faith be regained in the force. We must have an open royal commission. Justice must not only be done but be seen to be done. It is not good enough for an inquiry - the terms of which have yet to be made public - to be held behind closed doors by an organisation which has no community profile in this State.

I ask only that the Premier prove to the Western Australian public that he is serious about royal commissions not only when they involve political opponents - when he wants to allow the public in when it will see the destruction of his political foes - but also when it is in the public interest to see whatever problems manifest themselves within the police culture and it is necessary to make judgments about solutions.

The Premier and the Government are afraid of the blowtorch of public scrutiny which they have supported strongly in the past. The hypocrisy of their stance is obvious. Secrecy breeds corruption and facilitates cover-ups. Good police officers have nothing to fear from proper scrutiny. They have everything to gain from the process.

I will be very quick with my comments, for numerous reasons, not least of which is that I am deadly serious about the desire to allow this House to bring this matter to a resolution today. I have approached the Leader of the House and asked him to allow for this motion to be dealt with beyond the hour, so that it can be not only considered but also brought to resolution today to give this House the opportunity of making an early decision about this call. I hope that at the end of the hour, at 12 noon, when faced with the question of whether the hour will be extended, the Government will not deny leave. Even if no-one opposite is prepared to vote on the motion I hope that at least on this side of the House this matter can be brought to resolution today. At least the Legislative Council will have its say about whether we should have a royal commission; otherwise we will be left in the situation, as we know only too well, of the motion remaining on the Notice Paper - which is rapidly becoming a large book at the bottom of which all opposition motions are languishing when all government business is being dealt with.

It is inappropriate for the Government to deal with the business of the Legislative Council by having all government items processed and no opposition items dealt with, particularly an item such as this which is considered to be of enormous import to the people of Western Australia. We have in this Chamber a non-government majority which may have a different view from the Government. The Government should not block us from being able to express our viewpoint by resolution today. I demand of the Government the opportunity of bringing this matter to resolution today. The Government should at least show some common decency and bring this matter to resolution today, and provide the House with some support for this motion.

HON N.D. GRIFFITHS (East Metropolitan) [11.14 am]: What strikes me about this issue is the use of language; the language that was used in New South Wales and Queensland, the language of misplaced humour; the word "joke" and the word "laugh". This is not a joke. This is not a laughing matter. It is the most serious issue facing the people of Western Australia today. It is serious because an effective Police Force is necessary for our society to function. The Police Force of Western Australia - that is its proper name; that is how it is described in the Act of Parliament which sets out how the Police Force is to operate - and its officers should be entitled to have the confidence of the

people of Western Australia, and the people of Western Australia should be entitled to have confidence in the officers of the Police Force. I want both of those situations to be the case. That is why I speak in support of the motion moved by Hon Tom Stephens.

Whether the House agrees to the motion or not, it should consider whether the public has confidence in the Police Force at the moment. I suggest that the current state of affairs, outlined by Hon Tom Stephens, is that the great concern is that confidence is lacking. If it is lacking, what can be done about it? Are the current mechanisms appropriate for dealing with it? The three mechanisms are the Police Force; the Parliamentary Commissioner for Administrative Investigations - the Ombudsman; and the Anti-Corruption Commission. With respect to the police, we effectively have two agencies - internal investigations and internal affairs. The Select Committee on the Western Australia Police Service has commented in that respect. I note the existence of the Delta program, but the matters of publicity which have emerged recently cast great doubt on the effectiveness of those agencies. The words of Justice Wood from New South Wales in his interim report of 1996, at page 50, have great relevance to the current state of affairs in Western Australia. At paragraph 3.7 he said -

> Despite public statements and assurances that the Police Service is itself determined to weed out corruption, and the creation of numerous internal policies and procedures to achieve this, the reality is that the existence of very serious corruption has largely escaped notice or gone unchallenged. The Police Service submission acknowledged this to be the case, and also acknowledged that the assessment by Senior Command at the commencement of this Commission, as to the nature and extent of corruption within the Service, was incorrect.

That was true in New South Wales. Similar words, like "joke" and "laugh", are used with regard to the state of affairs in Western Australia.

The second mechanism, the Parliamentary Commissioner for Administrative Investigations, is really that: It is to do with administrative investigations. It has a role with respect to police misconduct but it is not an effective body in that regard, nor is it meant to be a body to deal with corruption and serious misconduct. The select committee report dealt with that adequately, as does the interim report of Justice Wood, as do a number of reports dealing with similar agencies in a number of jurisdictions. The case with respect to the Ombudsman being an effective body to deal with the problem is not made out. That body is not effective. I do not think anybody can seriously argue that it is effectively dealing with this problem.

That leaves the third agency, the Anti-Corruption Commission. It is said that the ACC is a new body; in one sense it is, but it is not really new. The Anti-Corruption Act 1988 frankly tells it all. The ACC is a relabelling of the Official Corruption Commission, which was established by virtue of an Act passed by this Parliament in 1988. It was not only a matter of relabelling as I acknowledge that the ACC has been given increased powers, although these powers have not done the job required.

The same old team is involved. The Chairman of the ACC was the Chairman of the OCC - he continues to stay in place although I note that he will retire shortly. Commodore Orr is still around and the only commissioner who was not on the OCC is Mr Doig, who replaced former Commissioner of Police Porter. Therefore, two of the three ACC commissioners were part of the Official Corruption Commission before the change of name. The ACC has a fatal weakness; namely, it comprises the same people and has the same culture found with the OCC.

That culture involves the commission relying on police mechanisms to an unhealthy degree; it relies on police and people involved in the "police culture". I use that expression in a very wide sense, as Hon Derrick Tomlinson understands it, in that stating that someone is part of the police culture does not mean he or she has done anything wrong; it means that the person's capacity to deal with various difficulties is impaired.

The question of the ACC budget arises on this issue, and that question has been dealt with elsewhere. When the commission conducts an investigation and funding is not sufficient, the commission must approach the Government to seek a top up of funds. That affects its independence.

The Official Corruption Commission, renamed the Anti-Corruption Commission, does not have an appropriate track record to carry out the work needed by the community. The real danger in giving the ACC this investigative task is its very strong reliance on police and the fact its work is not targeted; that is, it covers the entire public sector and is not police-specific, which is a great weakness. To have reliance on the police, and not to be police-specific, means that its ability to carry out good work is severely impaired. It is a myth that the police are the only ones who can investigate the police. I refer to the report of the Select Committee on the Western Australia Police Service, the title of which Hon Derrick Tomlinson correctly outlined by way of interjection.

Hon Derrick Tomlinson: It was an all-party committee endorsed by all parties.

Hon N.D. GRIFFITHS: Indeed; the committee comprised two members of the Liberal Party, one member of the National Party, one member of the ALP, and a former member I can properly describe as an Independent Liberal.

Hon Derrick Tomlinson: An Independent.

Hon N.D. GRIFFITHS: I accept that. I refer to Hon Reg Davies. On page 105 of report, the committee made this observation on this question of police investigators -

> The Committee does not agree with the argument that police officers are best able to investigate other police officers. That argument proposes that no matter how skilled the investigator, an outsider cannot appreciate the complexity of the police culture and nor have inside knowledge of personalities and power groups. Experience in other jurisdictions exposes those propositions as patent nonsense.

That is the "patent nonsense" brought out from time to time by those who say they have a degree of expertise in this area and those who wish to cover-up the fact that corruption and serious misconduct is taking place. It is used by those who, for whatever reason, want to convince themselves that such practice could not exist. The report continues -

> . . . the closed culture of the Police Service was a most powerful factor working against self-regulation of the Police Service.

The point about self-regulation and the involvement of the police is relevant because of the strongly perceived involvement of the ACC with the Police Service. The lack of focus of the ACC with respect to the police results from the fact it must deal with the public sector as a whole - I use that term in a general sense - and cannot give this fundamental problem the attention it deserves. The select committee had regard to that point when it quoted observations by the DPP about the ACC under a different guise and the other body to which I have referred; page 81 of the report reads -

> *The Parliamentary Commissioner for Administrative Investigations and the Official Corruption Commission are not the appropriate bodies to monitor the Police Force.*

I will not read out every point made but will relay some observations; it reads -

> *The Police Force needs a specialised review mechanism. It is the civilian force and the civil Government must therefore install accountability systems in respect of the exercise of civil power.*

What he says with respect to the Official Corruption Commission is also relevant to the Anti-Corruption Commission. It reads also -

> *A further difficulty in relation to both the Parliamentary Commissioner and the Official Corruption Commission is that they are complaint based.*

Under the ACC Act, it can initiate, but in reality it is complaint based.

Hon Peter Foss: What inside knowledge do you have that the ACC does not initiate?

Hon N.D. GRIFFITHS: The new OCC, which is called the ACC -

Hon Peter Foss: You made a statement of fact that it does not initiate.

Hon N.D. GRIFFITHS: I did not say that. I wish the Attorney would listen.

The PRESIDENT: Order! The member should direct his comments to the Chair.

Hon N.D. GRIFFITHS: I said that the ACC under its Act has the capacity to initiate and to receive complaints, but in reality it operates effectively -

Hon Peter Foss: What is the basis for that statement of fact?

Hon N.D. GRIFFITHS: The Attorney should ask people connected with the ACC. I am sure he deals with people from the ACC every day. He should ask them; they will tell him. I am telling the Attorney what the reality is.

Hon Peter Foss: You have made that up.

Hon N.D. GRIFFITHS: No I have not. I have had a number of conversations, and I am aware of much of what goes on in the ACC.

Hon E.J. Charlton: Such as?

Hon N.D. GRIFFITHS: The degree to which it is dependent upon the Western Australia Police Service to carry out its investigations.

Hon Peter Foss: Do you know how many investigators it has, since you know so much about it?

Hon N.D. GRIFFITHS: It has a chief investigator and six or seven sub-investigators. I have put a number of questions on notice, which, no doubt, the Attorney will answer with great expedition. The DPP said that the OCC was complaint based. That is effectively how the OCC, which is now named the ACC, operates. That criticism remains. That is not just the view of the DPP. Mr Hatton, a former New South Wales Independent member who, as Hon Tom Stephens said, moved the motion in the New South Wales Legislative Assembly in 1994 that led to the Wood Royal Commission, said in a recent radio interview -

> If your corruption commission in Western Australian is not staffed by completely independent . . . by people who are completely independent of the Western Australia Police Service, then it is not going to crack police corruption. The other thing is that police corruption is a very specialised area. Police are skilled in the collection, distortion, losing of evidence, presentation of evidence, they're skilled in court procedures and the brotherhood holds tight and so even with the CJC in Queensland it hasn't been as successful because it's not an organisation specifically targeting police.

I turn now to Justice Wood's comments about the New South Wales Independent Commission Against Corruption. One of the weaknesses of ICAC's operations was that it did not specifically target police. In fact, a significant proportion of the investigators used by ICAC were seconded from the New South Wales Police Force. In the view of Commissioner Wood, ICAC's intimate involvement with the New South Wales Police Force diminished its effectiveness in dealing with police corruption and serious misconduct.

Hon Derrick Tomlinson: Except in the Neddy Smith investigation.

Hon N.D. GRIFFITHS: That is a fair observation. I think I have said before, perhaps not in the course of debate in this House, that in some respects Justice Wood's comments about ICAC are a little harsh; but, in any event, they are criticisms of merit and criticisms in support of the point that I am making about the diminished effectiveness of the ACC because of its lack of capacity to target the police. That lack of capacity is probably the most significant aspect of the ACC. It is even more important than its historic culture.

At pages 91 and 92 of the Interim Report of the Royal Commission into the New South Wales Police Service of February 1996, Justice Wood canvasses a number of the arguments with respect to the establishment of a police specific body. What he says about policy considerations in New South Wales is true substantially of policy considerations in Western Australia. He states that there is a public perception that ICAC has failed to tackle police corruption or to use its coercive and other powers with sufficient determination and initiative, necessitating the establishment of the royal commission. That has more than a little echo in Western Australia.

In looking at the capacity of the ACC to deal with this matter, rather than the capacity of the body that we are proposing - a royal commission - it is pertinent to note Justice Wood's view that there is a real difficulty in establishing a division of ICAC which could be kept separate and independent from the rest of the organisation. That is a fair observation, and that applies also to the ACC.

Justice Wood states also that because of the competing functions of ICAC with regard to other public sector matters, there is a risk that the resources of the division would be drawn away from dealing with police serious misbehaviour and corruption, particularly if a major inquiry were undertaken in some other area; for example, by one of these outsourcing ventures in which members opposite have an interest. He states also that coordination of direction, decision making and priority setting would be difficult if ICAC had to deal with the police and also other agencies; that competition could exist in access to technical services and surveillance, with the potential for divided loyalties; and that permanent hiving off of an area of ICAC, while sharing central administrative resources, would not be conducive to good morale or harmony, and that jealousy over resourcing and a tendency to attribute failures to that fact would be almost inevitable.

In Justice Wood's view, which has great substance, the security of a police division would be very difficult to maintain in an environment in which a common organisational culture existed and staff from different sections mixed at work or socially. These are everyday matters, but they are important if the organisation is to do its job.

Justice Wood then makes the interesting point , which is also true of the ACC, that by the nature of its general work in the public sector, the ICAC faces an ever present danger of being caught up in political controversy, which might affect its credibility and level of commitment. Those words have great relevance to the state of affairs in Western Australia today. The last point made by Justice Wood is that other agencies, such as the Australian Federal Police - which has had its own problems recently - and the National Crime Authority, might feel greater confidence in the

dissemination of sensitive information to a smaller specialist agency than to a multi functional agency which has a larger staff.

We do not have that separate body. As a result we are left with a state of affairs in which those agencies to which I have referred, frankly, just cannot do the job. They may have the best will in the world, but they cannot do it for the reasons I have advanced. In those circumstances I note that the select committee, which has been referred to in the last few minutes by Hon Derrick Tomlinson, Hon Tom Stephens and myself, set out a number of policy directives. They were essentially the setting up of a police anti-corruption commission with parliamentary oversight and changes to the Parliamentary Commissioner Act. It made a number of observations on certain inquiries but the central thrust of the select committee's report was to deal with those matters. The Government did not take up those matters in any meaningful way; in fact, it did the opposite - it sought to gazump the committee. It announced its own package on the day the committee report was to be tabled, and it did that earlier in the day. We know the existing perception of leaks, bugging, eavesdropping and spying on the committee. There is a great degree of disquiet about the way in which the Government dealt with the select committee report.

The select committee spelt out its directives and then went on to a write at page 111 under the last dot point on the need for a royal commission the words -

> The Committee has found that corruption and serious misconduct within the WAPS is far greater than has previously been acknowledged, even though it is and has been known by its Senior Executive.
>
> The Committee has cited specific cases where a judicial inquiry is required in the public interest. Some submissions provided to the Committee may give rise to further instances where a judicial inquiry is required.

The committee's recommendations give direction for positive action. If not implemented, the only other course available is the establishment of a royal commission into the Western Australia Police Service with wide terms of reference. The committee's recommendations were not implemented. I remind the House the committee comprised five members. There was no dissent on its report, as members will see from the signatures on page 111.

I have been advised that the Government has no desire to have this question before the House brought to resolution.

Hon N.F. Moore: Not today. We wanted to hear your argument.

Hon N.D. GRIFFITHS: It should be today.

Hon N.F. Moore: You might think so.

Hon N.D. GRIFFITHS: I do, and the people of Western Australia think it too. If it were brought to resolution today a lot of people -

Hon Peter Foss: A lot of people want to reply.

Hon N.D. GRIFFITHS: The Government has unlimited time in which to reply, if it agrees to let this debate continue after 12 noon.

Hon Peter Foss: You know that both these matters are not handled by Ministers in this House; royal commissions are handled by the Premier and the Police Service is handled by the Minister for Police.

Hon N.D. GRIFFITHS: Here we go!

Several members interjected.

The PRESIDENT: Order!

Hon N.D. GRIFFITHS: I am dealing with the question before the House, which is that the House express a view that something should take place. I have a rather inane and persistent interjector who seeks to divert me from that course. I understand that members of other parties wish to speak to the motion before the House in order to express their support. I understand also that members on both sides of the House wish to have their views noted by the people of Western Australia at the earliest opportunity. Today is the earliest opportunity, not some future time - perhaps!

Hon Peter Foss: When did you prepare your speech? Was it yesterday or this morning? You like time to prepare.

Hon N.D. GRIFFITHS: Hon Peter Foss wishes to interject with observations, but he will not continue to do so because I propose to conclude my remarks shortly.

I have not raised allegations about individuals, nor do I propose to do so in this debate. However, if the Attorney General were to pay appropriate attention to the remarks of Hon Tom Stephens and had bothered to read the recent newspapers he would realise that this subject is one of the most talked about in Western Australia.

Hon N.F. Moore: It is the most written about. It happens to be the view of certain journalists.

Hon N.D. GRIFFITHS: Members of the Government should be aware of the fact - and if they are not, they should not be the Government - that this is the most important issue in Western Australia today. The people of Western Australia are entitled to know where we all stand on the issue.

Hon Peter Foss interjected.

The PRESIDENT: Order! Hon Nick Griffiths has the floor.

Hon N.D. GRIFFITHS: It seems that some of those opposite have no desire for that to take place.

HON NORM KELLY (East Metropolitan) [11.47 am]: The Australian Democrats support the motion for the establishment of a royal commission into the Western Australia Police Service. I will draw on the New South Wales experience. They thought that an inquiry by an independent commissioner into corruption was a sufficient way to root out corruption in the New South Wales Police Force. With hindsight they realised it was not powerful enough to cope with the enormity of the task and that a royal commission was the proper way to go. Western Australia can learn from that experience and go straight to a royal commission, so that what may appear to be obvious, widespread corruption within the service and elements relating to it can be dealt with and scrutinised by a more efficient and faster method.

The current Anti-Corruption Commission does not have sufficient powers or resources to cope with a thorough, independent inquiry into the Police Service. I heard the Attorney General mention earlier that there are about 10 investigators with the commission. Once again, if we look at the New South Wales experience, we will find that number will be grossly inadequate for the task ahead. I would like to see such a royal commission strongly address the current policy of this Government which allows police containment of the sex industry. The policy has been broadly condemned on a number of sides because it provides fertile ground for possible police corruption. The current Minister for Police has said that he would investigate the area, but so far we have not seen any aggressive action by the Government to correct the farcical situation in which the Government is condoning illegal actions in this State.

Hon Peter Foss: Are you saying we should legalise prostitution?

Hon NORM KELLY: I am saying we should investigate the current situation and come up with something that will control it.

Hon Peter Foss interjected.

The PRESIDENT: Order! Hon Norm Kelly will direct his remarks to the Chair and ignore interjections.

Hon NORM KELLY: Thank you, Mr President. I would be happy to see such an inquiry proposed by this motion carried out by the Anti-Corruption Commission if it had sufficient evidentiary and accountability powers. I understand that, in an inquiry into the Police Service, there would be many occasions on which it would be necessary for hearings to be held in secret or in camera. However, it is also important that any inquiry be open to the public so that the public has proper ownership of the recommendations and any actions that emanate from such an inquiry.

It also is important that adequate whistleblower protection be provided by such an inquiry. That is not available under the Anti-Corruption Commission Act.

Hon Derrick Tomlinson: It is.

Hon NORM KELLY: Other members want to debate this motion and I hope that time for debate will be extended to allow for that. It is important that this matter be resolved today so that this House can relay its intention to the other place. If this motion is resolved in the positive, it will mean that it has the support of a majority of members. That should mean that it will be supported by a majority of Western Australians. That is how this House should operate.

HON J.A. SCOTT (South Metropolitan) [11.53 am]: The Greens (WA) are also keen to see a royal commission established to investigate the Police Force of Western Australia. However, we want to see that body investigate matters other than those related to the internal workings of the Police Force. We also want it to examine its links with other areas of this State, and particularly links with politicians. I am aware of the existence of files being held by senior police. I understand these files contain information on many important people in this city.

Hon Derrick Tomlinson: You understand or you are aware?

Hon J.A. SCOTT: I have not seen the files. However, information has been given to me that files, such as the blue file, exist.

Hon Peter Foss: Bedroom gossip or rumour.

Hon J.A. SCOTT: I have heard so much about these files. I have heard a policeman give evidence that such files exist.

Hon Norm Kelly: Can you believe a policeman?

Hon J.A. SCOTT: In this instance I did, because I know about this from the transcripts I was given on matters that were before another inquiry.

Hon Derrick Tomlinson: I heard evidence from the person who is supposed to keep such files that he does not have such files.

Hon J.A. SCOTT: It would be a disaster for this State if such information is being used to put pressure on politicians and business people in this State. If it is not true, we should be told it is not true. The community has a right to know that people in this place operate without any fear and that police officers are not putting pressure on people.

Hon Peter Foss: Should we have a royal commission into your party to see whether it is riddled with communists? I have heard it said; I don't know that it is true.

Hon Derrick Tomlinson: I understand it to be so.

The PRESIDENT: Order! The member will direct his comments to the Chair.

Hon J.A. SCOTT: Thank you, Mr President. I was having difficulty understanding what the Attorney General was on about.

Police officers work in onerous areas; that is, they investigate people who are involved in criminal activities, particularly drugs and prostitution, which involve large amounts of money. It is well known that the streets are awash with heroin and that bikie gangs are involved in prostitution and drugs and that very little is being done to stop that. It is also well known that these people are involved in intimidation of all sorts. In fact, there are so many rumours floating around this city they are no longer a whisper but are a roar these days. I have heard a great deal and seen a number of things that add to my suspicion that all is not well in the Police Force. I believe my suspicion is shared by many people in this city.

We know that the Anti-Corruption Commission has only recently sent for the information collected by the Tomlinson committee; in that respect it has been very tardy. As Hon Norm Kelly pointed out, other States have had very effective royal commissions. In fact, the Queensland royal commission ended up with the Commissioner of Police being put in gaol and I understand he is still there today. When corruption exists at that high level - I am not suggesting that is the case in Western Australia - we have very good reason to worry. We have to have an in-depth inquiry into the WA Police Force and its links with the business community and people in politics in this State to give Western Australians greater confidence in their Police Force. That will give the police officers who are trying to do a good job a sense of purpose in doing the job they are paid to do. Establishing such a royal commission in this State is long overdue.

HON PETER FOSS (East Metropolitan - Attorney General) [11.56 am]: One of the most interesting parts of this debate has been a statement by Hon Norm Kelly that the problem with the New South Wales Independent Commission Against Corruption was that it did not have enough power. The problem with ICAC that most people identified was that it probably had too much power. It became rather bloated on the power and obsessed with public hearings into almost any allegation, rumour or gossip that anyone was prepared to put up to it. If an investigation wants to do any good, whether it is a royal commission, a corruption commission or police internal affairs, it is important to track down and find real evidence.

The difficulty with ICAC was that it had an extraordinary public image. It was the place for anybody with any allegation whatsoever to get up in public, make statements, get the headlines, and have a wonderful time in the spotlight for a period. It did not achieve anything. It was wonderful for the Press, it was wonderful for those people who liked the spotlight, and it was wonderful for conspiracy theorists. However, it did not do anything; it became obsessed with publicity rather than finding hard evidence to enable real facts to be determined and real decisions to be made. It became so obsessed with this process that it chased those things rather than look to see what were the real problems.

An example was ICAC getting involved in working out why fire engines did not have number plates. Somebody in ICAC thought he should investigate that. Rather than investigate what everyone knew was the situation in New South Wales - corruption within that organisation - that was its major investigation. An interesting thing about New South Wales is that the State believes it will never remove the corruption. It is in the blood of New South Wales and has been ever since the rum corps. New South Wales has always had a different way of doing things. A classic example is the New South Wales Labor left. I imagine it would not be allowed in the door of the Western Australian Labor Party because of the notoriety of the gangster behaviour of that group.

Point of Order

Hon TOM STEPHENS: I would like this debate to continue. Will the Government allow the debate to continue?

The PRESIDENT: The Leader of the Opposition is aware that is not a point of order.

Debate Resumed

[Debate adjourned, pursuant to Standing Order No 195.]

STANDING COMMITTEE ON CONSTITUTIONAL AFFAIRS AND STATUTES REVISION - EIGHTEENTH REPORT

Consideration

The Deputy Chairman of Committees (Hon Derrick Tomlinson) in the Chair.

Hon M.D. NIXON: I move -

That the report be noted.

The eighteenth report of the Standing Committee on Constitutional Affairs and Statutes Revision covers the period from March to November 1996. The membership of the committee has changed since then. I would like to pay tribute to Hon Barbara Scott and Hon Alannah MacTiernan for the work they did on the report.

The report deals with 45 petitions which cover a wide range of issues. People present a petition to the Parliament for many reasons. I suppose one of them is that they want their parliamentary representative to know their concern. An example of that was a petition about Jandakot Airport. The petitioners were concerned that unless they stated their views the airport would be closed. The committee examined the petition and found that at that stage there was no threat to that airport and there was no point in reporting extensively on a fear which, although a legitimate concern to the petitioners, was not a concern at that stage.

Another petition covered in the report dealt with the concern of the Noranda Primary School Parents and Citizens Association about asbestos and a prospective health hazard caused by water running onto footpaths. I am pleased to report that the committee's negotiations with the Education Department resulted in almost all the association's concerns being placated. The association was pleased with the committee's actions and invited the members of the committee to morning tea.

Unfortunately, some of the petitions cannot be handled by the committee because they involve matters which are before the courts. In that case they are put to one side because the standing orders prevent anything being done until that avenue has been exhausted. Some of the petitions are so detailed that we would probably need a royal commission to deal with them. On occasions when the issue raised in the petition is of such importance the committee does not continue its investigations. For example, one petition was about clearing bans and the committee recommended that it should be a matter for a select committee. That may or may not come to pass.

Some of the petitions involved planning issues. It is right for people to express their views to the committee through a petition, but the danger is that there is already in place a procedure to handle planning issues. It would be improper of the committee to investigate an issue when there is already a procedure to do that. In instances like that, the committee takes the view that the proper process should be followed. The committee keeps an eye on it and hopes that at the end of the day the issue will be resolved through the proper channels.

Unfortunately, when some of these issues were being considered Parliament was prorogued. If the time limit on a petition runs out, the committee writes to the petitioners reminding them that because of the prorogation of Parliament the petition cannot be considered and they are invited to resubmit it to the new Parliament. Many petitioners have done that.

During this session of Parliament the committee will bring down specific reports on issues it has examined in detail. The report which is now being considered is only short and it is an overview of the 45 petitions which have been or are before the committee.

Hon BOB THOMAS: Mr Deputy Chairman, I seek your guidance: This is the first time the Chamber has considered reports in this format. Is it possible for members to speak on issues covered by the report?

The DEPUTY CHAIRMAN: Yes, the committee is considering the report and consideration involves talking.

Hon BOB THOMAS: I was not sure of the format.

First, I will refer to a petition which was presented by me last year regarding free travel for pensioners. It appears the committee has done a significant amount of work on this issue because it takes up a large part of the report.

At the beginning of last year Westrail announced that pensioners would no longer be able to use their free travel entitlement during school holidays and other peak periods. A large number of pensioners in my electorate were angry because it took away their right to manage their travel plans according to their needs. In response to the approach by pensioners to me I helped them draw up a petition and it was presented to the committee. Pensioners told me that they need to travel during school holidays for a number of reasons, the most important of which is to play a role in the child minding responsibilities of their grandchildren. In that case, they need to be able to travel to their children's home to look after their grandchildren. To deny them the right to travel during school holidays curtails their activities.

Hon E.J. Charlton: They are not denied their right to travel.

Hon BOB THOMAS: I mean that they are denied the right to use their free travel pass during school holidays. Other pensioners told me that they travel during school holidays because that is when they are required to keep appointments in the metropolitan area. I read with interest the committee's report and I note it made a recommendation that free travel for pensioners be excluded on only the first two and last two days of school holidays. The committee arrived at that position after considering both sides of the equation. One side of the equation was the cost effectiveness of providing community service obligations. Therefore, they looked at the cost effectiveness of Westrail providing free transport.

In its report the Standing Committee on Constitutional Affairs and Statutes Revision noted that Westrail was deficit funded. That means that if a community service obligation is greater than the profit Westrail makes, the Government will chip in more funds. The committee also examined the social aspect of this issue and the need for pensioners to be able to travel at certain times of the year. The report noted that many pensioners felt they were being treated like second class citizens in not being able to make decisions about their own transport when they felt it was most appropriate.

I thought the committee's recommendation was fair and balanced. The peak travel time during school holidays is the first two days when children are travelling home from school and the last two days when they are returning to school. A good compromise was recommended which I am concerned that the Government has not implemented. When I checked on the matter with Westrail recently I was told that free travel entitlement was not permitted during school holidays except on a 24 hour stand-by basis. That is not good enough. I call on the Government to consider the recommendation from this committee and implement it. It is a good compromise.

I refer to "Motor Vehicle Traders" at point 2.6. When the Minister for Fair Trading introduced the Retail Hours Motor Shops Order in April 1995 he changed the hours during which motor vehicle traders could trade and allowed Saturday and Sunday trading. In doing so he excluded motor vehicle traders in regional areas, so Albany was not covered by the order. However, motor vehicle traders in Albany felt a flow-on effect could arise where motor vehicle traders in other regional centres felt they were missing out because people were going to Perth to buy motor vehicles. They therefore wanted the same trading hours as the metropolitan area. We drafted a petition, but we did not stipulate that that flow-on effect was a concern. The committee report is not inaccurate in saying that the legislation does not affect regional areas and therefore the matter was not taken further. I accept that comment. Perhaps the people who signed that petition need to re-examine the issue and re-present a petition indicating their concern about a flow-on effect.

I refer now to point 2.24, "Agricultural Practices". I think I presented a petition twice, once in 1994 and again in 1995, from a farmer called Bob Marshall of the Manjimup area who owns a number of farms. He is particularly concerned about the effect of weeds, especially doublegees, in the district. Before entering properties, clearly defined protocols, such as cleaning tyres, are observed by government agencies such as Western Power and the Agriculture Protection Board. Weeds such as doublegees can have a significant effect on the horticultural industry. A reputation for producing contaminated products such as potatoes and other produce could affect the State's trade. Mr Marshall

is concerned that insufficient is being done to maintain freedom of contaminants on farms. He is also concerned about water run-off as a result of intensive horticultural practices. Vast areas are being ploughed and cultivated for production of cabbages, cauliflowers, etc. Manjimup is in a very high rainfall area and rainwater carries a lot of topsoil from one property to the next, transferring weeds along with it. Regardless of how much farmers spend or how much work they do to maintain a "clean" farm, outside factors can have a detrimental effect on their properties. Mr Marshall is concerned about that and will re-present this petition some time this year. I appreciate the work the committee has done on this issue so far.

The CHAIRMAN: When I responded to the question by Hon Bob Thomas and indicated that members were entitled to speak, I should have pointed out that since we are in Committee the standing order rules relating to Committee debates apply. Each member may speak for 10 minutes, but may speak more than once.

Hon J.A. SCOTT: It seems to me, as someone who has presented quite a few petitions, that a lot of the work is doubled up because as soon as we are prorogued everything comes to an end and then must be reinstated when Parliament recommences. I wonder whether the Constitutional Affairs Committee has considered how that could be streamlined?

Hon N.F. Moore: Do you mean to go beyond prorogation?

Hon J.A. SCOTT: Yes.

Hon N.F. Moore: If you read *Hansard* you will see I have made a number of attempts to overcome that problem, but a ruling says that the Constitution will have to be changed to allow Parliament not to have to be prorogued. I will talk to you afterwards; it is worth pursuing further.

Hon J.A. SCOTT: That answers that matter.

The last two paragraphs of point 2.4, "Regional Park South of Guilderton", read -

> The Committee has now been advised that on 1 November 1996, the Shire Council did not approve the revised Concept Plan for the third time. The developers have now appealed to the Minister for Planning and the matter is in arbitration.
>
> The Committee has therefore resolved not to proceed with any further consideration of this petition at least until after completion of the arbitration period.

Surely once the arbitration period had concluded and the Minister had made a decision, any recommendations would be too late to change anything. Would it not be better to make recommendations so that they could be available to the Minister or any other relevant party prior to their making decisions. What are the normal procedures?

Hon M.D. NIXON: Hon Jim Scott raised valid concerns about the environmental issues. I referred to that in my opening remarks. The committee is still trying to come to terms with the best way of solving those problems. The committee has limited resources, although I admit the Parliament has been generous in fulfilling most of the committee's requests for extra resources. I do not believe it would be right and proper to set up an opposition to the Environmental Protection Authority or to planning bodies. At this stage the committee has adopted the policy - that does not mean it cannot be changed - that its best purpose is to ensure that proper procedure is followed. Providing the proper procedure is followed, we should all have faith in the system. If proper procedure is not followed, the Parliament, through the committee, has a responsibility to become involved. There may be a better way than that of handling the issue, but at this stage that is about the best we can do.

The other matter that was raised is what happens when Parliament is prorogued. I accept it is a problem. Staff continue to operate after prorogation, although members of the committee do not. I am pleased this report was prepared largely during the period after prorogation. The committee's work continues, although members of the committee do not continue their work during that period.

Hon CHERYL DAVENPORT: I refer to paragraph 2.31 on page 23 of the report, which relates to the petition that seeks the decriminalisation of abortion and calls for sections 199, 200 and 201 of the Criminal Code to be reviewed. I note the committee has asked for that petition to be resubmitted and that it intends to conduct a full examination of the issues raised in the petition. What form will that examination take? I note the committee originally called for a submission from the Minister for Family and Children's Services on the petition. Given that this is both a health issue, primarily in relation to women, and also that it deals with the Criminal Code, why did the committee seek a submission from the Minster for Family and Children's Services rather than the other two Ministers responsible for these areas?

Hon M.D. NIXON: This petition came in late. We realised it would be of great public interest and that it would take a considerable amount of research to come up with anything worthwhile. That is the reason the committee put it off. We are keen to take it on, although it will be a pretty big task and a fairly controversial one. I take the member's point that many ministries may be involved in this problem. If and when the committee re-examines the petition, I am sure it will take Hon Cheryl Davenport's advice and contact the other Ministers for their views.

The committee has adopted a standard procedure when we receive a petition. That does not mean that cannot be changed either. The policy has been that the committee requests the chief petitioners to present a short written report on their concerns, which may not be clear from reading the petition. We write to the member who presented the petition because he or she may have a personal interest in the matter. We write also to the bodies that may have a contribution to make. We then make a decision whether to continue to examine the petition and where to go for further evidence. That policy seems to be working well.

The committee is relatively new. I am only the second chairman. At this stage we are refining the techniques we use. The problem is that we receive many petitions. We like to think that is because we are providing a service. However, it is becoming increasingly difficult to deal with them all. We are trying to develop a fast track service to give all petitions some attention, but not enter into a detailed examination because it would take up too many resources. Another important issue like the matter Hon Cheryl Davenport mentioned that is on the books is high speed car chases, which we believe is also of great public interest. These are the types of matters the committee believes need a detailed examination.

Hon CHERYL DAVENPORT: Does the chairman believe the committee might examine this year the petition to which I referred?

Hon M.D. NIXON: From memory, I do not think it has been resubmitted, but if it is, it will be examined.

Question put and passed.

Resolution reported, and the report adopted.

TREASURER'S ADVANCE AUTHORIZATION BILL

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) [12.27 pm]: I move -

That the Bill be now read a second time.

This Bill authorises the Treasurer to make certain payments and advances for authorised purposes chargeable to the consolidated fund or the Treasurer's Advance Account within the monetary limit available for the financial year commencing 1 July 1997. The monetary limit specified within clause 4 of the Bill represents an authorisation for the Treasurer to withdraw up to $200m for the financing of payments and advances in the 1997-98 financial year.

The purposes for which payments and advances may be made are set out in clause 5 of the Bill and remain unchanged from those authorised in previous years. Where payments are made for a new item or for supplementation of an existing item of expenditure in the consolidated fund, those payments will be charged against the fund and submitted for parliamentary appropriation in the next financial year.

Members will be aware that a number of activities, such as suspense stores for supply services and rental of government offices, are initially financed by way of Treasurer's Advance which is subsequently recouped from the department or statutory authority on whose behalf the service was performed or rental paid. Advances provided for other purposes are repayable by the recipient. In addition, the Bill seeks supplementation of $100m against the monetary limit authorised for the 1996-97 financial year.

The major factors giving rise to the need to increase the limit by $100m are changed agency structure arrangements. The relevant expenditure by the Department of Transport and the Department of Contract and Management Services of $86.3m is revenue neutral.

When the 1996-97 Budget was framed it was anticipated that on the transfer of the licensing function from Police to Transport, licensing revenue would be taken directly into the transport coordination fund and netted against the department's expenditure. Transport legislation did not, however, permit the revenue to be paid into the transport coordination fund, and 1996-97 licensing revenue has therefore been paid into the consolidated fund. The additional expenditure of $73.6m is fully offset by this revenue and has no net impact on the consolidated fund.

The 1996-97 Budget was compiled on the basis that the Department of State Services and the Western Australian Building Management Authority would be merged and operate as a single agency from 1 July 1996. As legislative amendments were not in place by 1 July 1996, it became necessary to create the Department of Contract and Management Services to carry out the functions of the former Department of State Services that remained after transfers or privatisation. The additional expenditure of $12.7m is offset by revenue. Other factors contributing to the proposed increase in the limit include overruns in Education of $20.7m; Police of $10.6m; Resources Development of $10.5m; and Agriculture of $9.7m. I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

REVENUE LAWS AMENDMENT (TAXATION) BILL

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) [12.31 pm]: I move -

That the Bill be now read a second time.

This Bill seeks to implement the taxation rate changes previously announced in the 1997-98 budget speech. The remaining budget taxation measures are contained in the counterpart to this Bill, the Revenue Laws Amendment (Assessment) Bill. Both Bills are accompanied by an explanatory memorandum to provide members with a greater level of detail in respect of the proposed amendments. Specifically, this Bill seeks to amend the Debits Tax Act 1990, the Land Tax Act 1976 and the Pay-roll Tax Act 1971.

I turn first to the proposed change to the debits tax arrangements. The Bill seeks to amend the Debits Tax Act to increase the tax rates to the same levels that apply in all other mainland States. Debits tax was inherited from the Commonwealth in 1990 and applies to withdrawals from accounts with cheque facilities. Although all other mainland States have progressively increased their tax rates, Western Australia's rates have remained static. Unfortunately, with the substantial cuts in Western Australia's grants from the Commonwealth in recent years, we can no longer afford to charge such low debits tax rates compared with the other States. This Bill will provide that from 1 July 1997 the following tax rates will apply:

For debits of $1 or more but less than $100, the amount of tax will increase from 15¢ to 30¢;

for debits of $100 or more but less than $500, the amount of tax will increase from 35¢ to 70¢;

for debits of $500 or more but less than $5 000, the amount of tax will increase from 75¢ to $1.50;

for debits of $5 000 or more but less than $10 000, the amount of tax will increase from $1.50 to $3.00; and

for debits of $10 000 or more, the amount of tax will increase from $2 to $4.

After allowing for some reduction in the use of cheque facilities, these increases are estimated to raise an additional $47m in 1997-98 and $51m in a full year.

Apart from the pressures from the budget imperative, these increases are consistent with moves toward national uniformity in state financial taxes. A national reform package, which is subject to Queensland confirming its participation, is proposed to replace the current debits tax and financial institutions duty with a single, more broadly based ad valorem debits tax. This represents a significant attempt at cooperative tax reform by the States and Territories. If achieved, the rationalisation of financial taxes will bring significant equity and efficiency benefits to the community, financial institutions and Governments.

The second taxation scale change included in the Bill relates to land tax. The Bill seeks to amend the Land Tax Act to introduce a new land tax scale to apply from the 1997-98 year of assessment. This new scale is intended to soften the impact of significant increases in taxable land values which have occurred as a result of the improving property market. The scale has been designed to provide land tax relief to most taxpayers, and especially to those with land in the middle land value ranges who are most affected by the progressivity of the land tax scale which compounds the effect of land value increases. For example, under the proposed scale, a taxpayer owning land with an aggregate taxable value of between $150 000 and $400 000 will have a 1997-98 assessment between 7 per cent and 16 per cent lower than that which would apply under the current scale. The relief will be achieved by increasing the land value thresholds at which the tax rates apply, for all but the lowest and highest value ranges in the tax scale.

It is estimated that if the Government had not moved to provide this relief, land tax collections would increase from $162m in 1996-97 to $175m in 1997-98 - an increase of 8 per cent. The proposed tax scale is expected to raise $168m in 1997-98, thereby limiting growth in collections to an estimated 3.7 per cent. It is noteworthy also that under the proposed tax scale, 60 per cent of all taxpayers will receive either a decrease, or no increase, in their land tax bills in 1997-98, and that of the 40 per cent of taxpayers whose land tax bills increase in 1997-98, more than two-thirds will receive an increase of less than $20. Furthermore, the proportion of taxpayers facing increases in their tax bills of more than $100 in 1997-98 will fall from 8.8 per cent to 5.1 per cent under the proposed tax scale. This will be the fourth time since coming to office the Government has provided land tax relief, recognising that with the equity benefits flowing from the system of annual valuations, it is important that the tax scale be constantly monitored and adjusted as appropriate.

The final taxation change proposed in this Bill relates to payroll tax. The Bill seeks to amend the Pay-roll Tax Act to reduce the rates of tax currently in force and to lift and broaden the wage ranges to which the various tax rates apply. These measures are complementary to the payroll tax reform measures included in the Revenue Laws Amendment (Assessment) Bill.

Specifically, this Bill seeks to -

> Lift the annual wages threshold below which the current concessional 3.95 per cent tax rate applies from $2.5m to $2.7m, and at the same time drop the 3.95 per cent tax rate to 3.65 per cent;
>
> lift the annual wages threshold at which the current concessional 4.95 per cent tax rate applies from $4 166 667 to $4.5m, and at the same time drop the 4.95 per cent tax rate to 4.6 per cent; and
>
> lift the wages threshold above which the current top tax rate of 6 per cent applies, from $5 208 333 to $5 625 000, and at the same time drop the 6 per cent tax rate to 5.56 per cent.

These rate reductions and threshold increases have been designed to make the net payroll tax base extensions included in the Revenue Laws Amendment (Assessment) Bill revenue neutral in 1997-98.

Under the proposed payroll tax scale, Western Australia will have the second highest exemption threshold and the second lowest tax rates of all the States. The Government would like to have reduced the payroll tax rates even further to reduce its reliance on this tax and thereby provide a further stimulus to business in this State. However, this was impossible in the current budgetary circumstances. Moreover, it should be understood that although the Government will continue to work on reforming payroll tax, the State is severely constrained in the absence of major reform of commonwealth-state financial relations and the national tax system.

For the information of members, I table the associated explanatory memorandum. I commend the Bill to the House.

[See paper No 498.]

Debate adjourned, on motion by Hon Bob Thomas.

REVENUE LAWS AMENDMENT (ASSESSMENT) BILL

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) [12.39 pm]: I move -

> That the Bill be now read a second time.

This Bill seeks to put in place a number of state taxation measures announced as part of the 1997 Budget, and a number of other measures designed to improve the efficiency and equity of the state taxation regime. This speech will be quite lengthy, due to the significant number of amendments contained in this Bill. However, I remind members that the use of revenue laws legislation has streamlined the way in which Parliament now deals with taxation amendments, by reducing both the number of amending Bills and associated speeches required. Previous practice would have required separate amending Bills and speeches to be presented to the Parliament. Furthermore, in addition to the overview I am providing today, an accompanying explanatory memorandum has been prepared for the benefit of members which explains each of the measures in greater detail.

Specifically, this Bill proposes amendments to the Land Tax Assessment Act 1976, the Pay-roll Tax Assessment Act 1971 and the Stamp Act 1921.

The Bill is structured in four parts. Part 1 deals with preliminary matters such as the title and commencement provisions.

Part 2 of the Bill seeks to amend the Land Tax Assessment Act to implement four changes, namely -

to provide temporary relief from land tax in respect of deceased estates;

to clarify the treatment of parcels of land for the purposes of the principal place of residence exemption;

to update references made redundant by recent changes to the Corporations Law; and

to clarify the commissioner's assessment powers in certain circumstances.

With respect to land forming part of a deceased estate, the Land Tax Assessment Act currently provides that qualification for a residential exemption ceases on the death of an owner-occupier. Accordingly, if the estate has not been finalised by 30 June following the deceased owner's demise, a land tax liability arises which must be met by the executor. This can result in a differing land tax treatment, depending on the timing of the death of the owner-occupier and the subsequent distribution of the estate to the beneficiaries.

To address such anomalies, the Bill proposes an extension of the existing land tax residential exemption for a maximum of one year of assessment after the owner's death, subject to certain conditions. The twelve month period should allow sufficient time for a grant of probate to be obtained and for the estate to be distributed. The exemption is to apply prospectively, such that estates which are subject to their first land tax assessment in 1997-98 or a subsequent year will benefit. It is expected that the revenue consequences of the exemption will be minimal.

This Bill also contains an amendment to the definition of "parcel" in the Land Tax Assessment Act. This change is necessary due to a recent decision of the Land Valuation Tribunal, which upheld an appeal by a taxpayer that their residential lot and an adjoining lot should be treated as a "parcel" and therefore be exempt from land tax. The determination of the tribunal introduced the concept of the owner's intentions to use a vacant lot for a residential related purpose. This contrasts with the current principles embodied in the Act and the commissioner's practice, which rely on actual land use as at midnight on 30 June to qualify for the exemption. To administer the Act in accordance with the tribunal's determination would make the assessment process extremely difficult, and could open up avoidance opportunities. Rather than add such complexities to the land tax regime, it is proposed to restore the previous position where the residential exemption for adjoining lots is dependent on actual land use.

Finally, two minor changes are proposed to clarify the operation of the legislation. The Act is being updated to reflect a recent change in the Corporations Law that removed the concept of an "exempt proprietary company" and replaced it with "proprietary company". Furthermore, an amendment is proposed to section 27 of the Act to clarify the commissioner's assessment making powers in cases where a clawback of revenue from concessional or exempt primary production treatment is triggered.

Part 3 of the Bill includes a package of amendments to the Pay-roll Tax Assessment Act to make the payroll tax system fairer and easier to comply with, and to protect the revenue base. Seven separate changes are proposed, including a broadening of the payroll tax base. All measures are proposed to apply in respect of wages paid or payable from 1 July 1997.

Firstly, the definition of wages for payroll tax purposes is to include employer provided remuneration in the form of contributions to a superannuation fund. This will include contributions made, or in the case of an unregulated fund or public sector fund, regarded as being made, by the employer, or a person on behalf of the employer, to the fund of an employee, or another fund in relation to an employee. Contributions made in respect of the superannuation of workers engaged by an employment agent are also included in the base. For the purposes of the legislation, superannuation schemes will include defined contribution accumulation schemes, defined benefit superannuation schemes, and retirement savings accounts. Contributions of shortfall amounts under the Commonwealth's superannuation guarantee charge legislation are likewise included in the base. Failure to include employer superannuation contributions in the payroll tax base would represent a substantial and growing leakage. In particular, this measure will ensure that the dampening effect of future increases in the superannuation guarantee charge on wage increases does not further erode the payroll tax base. In this regard, the superannuation guarantee charge is scheduled to increase from its current 6 per cent level to 7 per cent on 1 July 1998, to 8 per cent on 1 July 2000 and to 9 per cent on 1 July 2002. Notably, New South Wales, Victoria, South Australia and the ACT have already moved, or are in the process of moving, to extend their payroll tax base to superannuation benefits.

The second proposal is to include fringe benefits, as defined and valued for the purposes of the Commonwealth's fringe benefits tax, in the definition of wages for payroll tax purposes. Although reference to "other benefits" currently in the payroll tax legislation will be removed, it is also proposed to include an ability to prescribe benefits,

which are not fringe benefits under the commonwealth legislation, into the payroll tax base. The prescriptions currently envisaged are -

contributions by an employer to an employee share acquisition scheme;

contributions by an employer on behalf of an employee to an industry redundancy fund; and

contributions by an employer in relation to an employee to a portable long service leave fund.

Although these benefits are not fringe benefits for the purposes of the commonwealth legislation, these prescriptions will recognise that such benefits represent remuneration to an employee and therefore are a direct substitute for cash wages. These amendments will remove the uncertainty in the current payroll tax regime about what benefits constitute taxable wages and what value should be ascribed to them for payroll tax purposes. The legislation also provides an ability to exclude commonwealth fringe benefits from the payroll tax base. At this stage, two benefits are intended to be prescribed, namely tax exempt body entertainment fringe benefits and living away from home allowances. It should be noted, however, that the exclusion of living away from home allowances from fringe benefits is not to remove such allowances from the tax base, but rather to clarify that such payments are "allowances" for the purposes of the definition of "wages" in the Act. Importantly, a number of major benefits paid by remote area employers, such as housing benefits, power subsidies and travel assistance will continue to be excluded from taxable wages. It is intended that regulations will shortly be made to prescribe such benefits as exempt, in recognition of the importance of these benefits in compensating employees for essential services not available in remote areas.

One further variation to the commonwealth regime is the intended treatment of benefits which have their taxable value reduced in accordance with the commonwealth legislation under the "otherwise deductible" rule. In many circumstances, such a reduction is not appropriate in the context of payroll tax, and the legislation provides recognition of this by not allowing such a reduction unless the benefit is work related. To minimise compliance costs for employers as far as possible, proposed regulations will also provide an alternative mechanism for the inclusion of fringe benefits in an employer's payroll tax return. As in other States, employers will have the choice of returning tax on FBT-type benefits either based on the actual value of benefits provided to employees, or on an estimate basis calculated on one-twelfth of the Western Australian benefits for the previous commonwealth FBT year.

Overall, the inclusion of fringe benefits and superannuation is estimated to increase the payroll tax base by around 8 per cent. However, to ensure that few, if any, employers are pushed over the annual wages exemption threshold of $625 000 by the tax base extensions, this Bill also seeks to amend the Act to provide for the threshold to be increased to $675 000. Notably, the new annual wages exemption threshold of $675 000 compares with only $375 000 when the Government came to office in 1993. Proportional broadening of the associated monthly and weekly payroll tax exemption thresholds is also provided for. These new thresholds, along with the rate reductions proposed in the Revenue Laws Amendment (Taxation) Bill, are designed to ensure that the package is revenue neutral in 1997-98.

The fourth payroll tax measure in this Bill seeks to provide an exemption for travel and accommodation allowances, provided these do not exceed prescribed reasonable levels. This will recognise that such benefits are generally in the nature of expense reimbursements rather than remuneration. It is proposed that the prescribed reasonable levels will cover all "cents per kilometre" or "dollars per night" rates specified in awards. In the absence of an award rate, it is proposed that rates per kilometre and per night will be specified. Appropriate rates are currently being determined.

The fifth payroll tax measure proposed in this Bill is intended to address an existing anomaly concerning wages paid to overseas employees. Generally, a liability arises in Western Australia where services are rendered wholly in the State, regardless of where the wages are actually paid or payable, or where wages are paid in the State in respect of services which are not rendered wholly in another State. Where an employer who is liable for payroll tax in Western Australia has employees working overseas, but whose wages are paid to the credit of a bank account in Western Australia, the wages of those employees are liable to payroll tax. If the wages were paid to those same employees directly to an overseas account, no payroll tax liability would arise.

The Government recognises that it is inequitable and inefficient for a payroll tax liability to depend merely on whether an overseas employee's wages are paid to an account in the State or an overseas country. Accordingly, the proposed amendment seeks to address this anomaly by providing an exemption after six months, where wages are paid to a person in Western Australia in respect of services performed wholly in another country for a continuous period exceeding six months. The six month qualifying period is consistent with that applying in New South Wales, Queensland, Victoria and South Australia, which all offer relief in similar circumstances.

The remaining two payroll tax measures included in this Bill seek to clarify the application of the Act and to improve its administrative operation. The current definition of wages makes reference to various forms of remuneration "paid

or payable . . . to an employee . . . ". The effect of the proposed amendment will be that in all cases liability to payroll tax will arise at the point an employer makes any payment "to, or in relation to" an employee. The question as to the timing of liability is particularly important in the case of payments made "in relation to" an employee, as in some circumstances the benefit flowing to the employee from that payment may be some time subsequent to the payment.

As liability to payroll tax arises at the time a benefit is provided to an employee, there is a time lag between the payment by the employer and the provision of the benefit. As a result, in these limited circumstances, the employer is not required to declare the payment in a payroll tax return until such time as the benefit is paid to the employee. This time lag can cause significant administrative difficulties for the employer in determining the correct amounts to be included in monthly returns, and also for the State Revenue Department auditing these returns. This amendment will eliminate these difficulties and will bring Western Australia largely into line with all but one jurisdiction.

It is also proposed to amend the Act to improve the administration of charitable exemptions. The Act currently provides that the Minister may, on the application of a body or organisation which has any charitable object or objects, declare, by notice published in the *Gazette*, that body or organisation to be exempt from payroll tax in relation to its charitable objects or any specified charitable object. These provisions were inserted in 1984 to widen the exemption provisions to any charitable body or organisation which the Minister, in his absolute discretion, prescribed to be of a nature worthy of exemption.

The major exclusions from these exemptions have been tertiary educational institutions which, while possibly of a charitable nature, have never been intended to qualify for an exemption of this type. Similarly, bodies which had some charitable objects but which were not established or carried on for charitable purposes have also been denied exemption due to the inherent difficulties in attributing wages to those objects as opposed to those activities which are not charitable. Charitable exemptions exist in most other state taxation Statutes; however, they are determined via application to the Commissioner of State Revenue who then determines whether the applicant meets the statutory criteria. The involvement of the Minister in approving exemptions for charities is unique to payroll tax and is administratively cumbersome.

To address these issues, it is proposed that the payroll tax legislation be amended to remove the Minister from the exemption process and, in his stead, to provide the Commissioner of State Revenue with the power to approve charitable exemptions which meet the statutory criteria. The criteria which must be met will be that the body making application is established or carried on for charitable purposes. Saving provisions will apply to ensure that those bodies which have already been provided with an exemption continue to enjoy that exemption without the need for a new application to be made.

Furthermore, the Bill proposes that any exemption should apply from a date specified by the commissioner, including, at the commissioner's absolute discretion, a date which is prior to the application for exemption. This will remove the need for act of grace payments to be made where a charitable body has incurred a liability prior to making application for the exemption.

To sum up, the benefits of the payroll tax reform package included in this Bill are -

a fairer payroll tax system, and reduced avoidance opportunities, through the equal treatment for payroll tax purposes of employee remuneration regardless of form;

reduced compliance costs and more certainty for employers, in respect of the payroll tax treatment of non-cash fringe benefits;

reduced erosion of the payroll tax base from the dampening impact of future increases in superannuation benefits on wage increases;

fairer treatment of travel and accommodation allowances and wages paid to overseas employees;

an increased tax free threshold; and

improved administration in the granting of exemptions for charities.

Finally, I turn to the amendments to the Stamp Act proposed in part 4 of this Bill, which comprise three measures to prevent avoidance of duty, four measures to either introduce or extend stamp duty relief, and one measure to clarify the application of the Act.

Turning firstly to avoidance concerns, the Bill seeks to address the effects of a recent decision of the Supreme Court of Victoria which has opened up the potential for avoidance of stamp duty on transfers of property. Under the Stamp Act, duty is calculated on the greater of the consideration paid or the unencumbered value of the property transferred.

In the past, the State Revenue Department has not taken account of a lease that depressed the market value of a property when valuing property for duty purposes. However, the court determined that a lease is not an encumbrance, and as such, its terms and conditions must be taken into account when valuing the property. This is of considerable concern to the stamp duty regime.

In the case in question, the property transferred had a freehold value of approximately $13m. However, because it was subject to a long term lease for no rental, the value was reduced to $380 000. It is not difficult to imagine that parties, particularly those who are not at arm's length, could structure a transaction to take advantage of this situation. For example, it would be simple to enter into a lease arrangement to depress the value of the property prior to effecting a transfer of that property. Once the transfer had been effected, the lease could then be terminated by agreement between the parties. The amendments seek to address this potential avoidance opportunity by providing that the Commissioner of State Revenue shall disregard any lease or other arrangement which has the effect of depressing the value of property, unless the commissioner is satisfied that a purpose of the lease or arrangement was not to depress the value.

The amendments are to apply from 27 December 1996, being the date an announcement to this effect was made by the Government. While the need for retrospective legislation is regretted, the threat to revenue was considered sufficiently large to warrant such action. Moreover, the Government's intention to amend the Act effective from this date has been widely disseminated.

The second anti-avoidance measure seeks to address concerns regarding the acquisition of property as a result of the liquidation of a company. Currently duty of $5 applies to the transfer of a property to a shareholder upon the liquidation of a company, provided the value of all property distributed to the shareholder does not exceed his entitlement to the undistributed net assets of the company. However, where the shareholder receives property in excess of his entitlement, the transfer is made in satisfaction of a debt due by the corporation to the shareholder, or the shareholder assumes any liabilities of the company, ad valorem stamp duty is payable on the amount of any excess, debt released or liability assumed.

The proposed measures seek to address an avoidance scheme which has exploited similar concessions available in Victoria and South Australia, and to strengthen the legislation with regard to the release of debts or assumption of liabilities. The specific details of the avoidance scheme will not be referred to at this time, to minimise the risk that it could be exploited before this legislation can be passed. It is intended for the Act to provide that a transfer on liquidation will be chargeable with full ad valorem duty in the future unless the commissioner is satisfied that the transfer is not made pursuant to a scheme where a purpose was the avoidance of duty. If so satisfied, no duty will apply to the transfer. The legislation provides guidance to the commissioner on matters to which he should have regard in being so satisfied. Notably, similar provisions already operate in Victoria.

The third anti-avoidance provision is pursuant to the Government's announcement of 12 May 1997 that amendments would be considered to close a potential loophole in the Stamp Act involving the conversion of ordinary share capital to redeemable preference shares. Members may recall that amendments were passed by Parliament last year to ensure that stamp duty is paid where a takeover is effected by a selective reduction in the capital of a company. The Commissioner of State Revenue has now advised that it may be possible to defeat the legislation and effect a takeover by converting the ordinary share capital of a company to redeemable preference shares without stamp duty being incurred.

Without detailing the avoidance mechanism, the scheme involves stepping outside of the stringent takeover provisions in chapter 6 of the Corporations Law and obtaining a court order under a reduction of capital by a scheme of arrangement under chapter 5 of the law. Accordingly, this Bill contains measures which will render a conversion of this nature liable for stamp duty by providing that the conversion of shares in a Western Australian company to redeemable preference shares is a taxable event.

An anti-avoidance provision in this form is considered warranted for a number of reasons. In particular, there seems to be very limited commercial rationale for a company to convert ordinary shares to redeemable preference shares, if the potential stamp duty benefit is ignored. An examination of court approvals under the Corporations Law over the past two years has indicated that such conversions are very uncommon. Furthermore, alternative and more conventional mechanisms exist for a company to either vary rights attached to shares or return capital to shareholders, without the need to convert ordinary shares to redeemable preference shares.

Indeed, the exposure draft of the Commonwealth's second Corporate Law Simplification Bill includes measures to prevent the conversion of existing share capital into redeemable preference shares, a clear recognition that it was not intended that this mechanism be used to return share capital in this manner. Unfortunately, there is no guarantee that this commonwealth legislation will proceed in its present form, or when it will proceed. Therefore, on balance it was considered that any alternative approach to that proposed in the Bill would be extremely complex and that such

complexity was not warranted for a problem which should exist only in the short term. This measure is intended to have application to conversions effected on or after 12 May 1997, the date the intention to legislate was announced. Again, this intention was widely disseminated.

Four stamp duty relief measures are also proposed in the Bill. Further to an announcement made by the Government on 14 January 1997, this Bill seeks to provide an exemption from marketable securities duty which will assist local companies to raise finance in overseas equity markets. Many small to medium size Western Australian companies have had difficulty raising equity capital domestically, especially where the funds raised are for higher risk ventures such as mining exploration, or where the company has only a limited capital raising history. In particular, the failure of such companies to attract institutional investment support has forced them to conduct capital raising ventures in countries such as Canada, which have a greater capacity to accommodate this type of investment.

However, companies often encounter difficulties in ensuring that the stamp duty obligations associated with share transfer registration are met. This in turn can pose great difficulties in obtaining a listing on an overseas stock exchange, something overseas institutional investors often demand to ensure the liquidity of their investment. The Bill seeks to overcome these problems by providing an exemption for certain transfers of shares and rights in respect of shares of Western Australian incorporated companies listed on prescribed overseas stock exchanges, where the transfer arises from trading on that overseas exchange and the shares are kept on a register in that country.

These proposed amendments will assist local companies by addressing the administrative and compliance impracticality of attempting to collect Western Australian stamp duty on share transfers on those exchanges. On the basis of submissions received since the 14 January announcement, in addition to the Toronto and Vancouver Stock Exchanges, it is intended to also prescribe the New Zealand Stock Exchange, the Hong Kong Stock Exchange, the Calgary Stock Exchange, the Alberta Stock Exchange, the New York Stock Exchange, the NASDAQ, the Frankfurt Stock Exchange and the Zurich Stock Exchange.

The legislation also proposes a six month qualifying period for shares to be registered overseas before the exemption is available to prevent avoidance by "register shuffling". A number of minor exceptions to the six month registration requirement are also proposed, to accommodate commercial practice without putting the revenue at risk. Measures to provide that stamp duty can be readily collected on those transfers which do not qualify for the exemption are also proposed. The cost to the revenue of the proposed exemption is expected to be minimal, due mainly to the current difficulties in collecting duty from persons in countries outside Australia and the stifling effect the duty can have in obtaining an overseas listing in the absence of the proposed exemption. However, the value of the exemption to Western Australian businesses is expected to be significant. Therefore, the proposed regime is considered to strike a good balance between the needs of Western Australian business in raising capital to build the economy, and those of the Government in protecting its limited revenue base.

The Bill also proposes three other stamp duty relief measures to -

> standardise and, in some cases, extend the exemption provisions which currently apply to residency agreements for the aged and disabled;
>
> provide a partial rebate under section 75AG of the Act in circumstances where a first home owner acquires a first home jointly with a person who has previously owned a home; and
>
> exempt the issue of a motor vehicle licence for a heavy vehicle which prior to 16 January 1997 was registered in the name of the licensee under the federal interstate registration scheme.

The cost to revenue of the relief provided in respect of the aged care agreements and the vehicle licences is expected to be minimal. The revenue forgone in relation to the first home owners' rebate is estimated at $250 000 annually. Further detail of the need for the proposed relief and the intended scope of its operation is provided in the explanatory memorandum.

The final stamp duty amendment proposed in this Bill seeks to rectify a technical deficiency with section 27 of the Act highlighted by a recent Supreme Court decision. The court found that there was a distinction between "pleading, giving or admitting" a document in evidence and "tendering" a document in evidence, thereby limiting the application of the section. The proposed amendment to section 27(3) of the Act will remedy the problem to ensure that an unstamped instrument can be relied on in a court by the non-liable party, subject to certain conditions being met.

In summary, this Bill seeks to put in place those measures announced in the Budget to ensure that the State's revenue raising needs are met, along with a number of other changes which will improve both the equity and the efficiency of the State's taxation regime. I commend the Bill to the House and for the information of members, I table the associated explanatory memorandum.

[See paper No 499.]

Debate adjourned, on motion by Hon N.D. Griffiths.

Sitting suspended from 1.04 to 2.00 pm

STATEMENT - BY THE PRESIDENT

Appropriation (Consolidated Fund) Bill (No 1)

THE PRESIDENT (Hon George Cash): Order! Before I read the next message from the Legislative Assembly transmitting the Appropriation (Consolidated Fund) Bill (No 1) I ask that at the appropriate time the Minister move that the second reading of the Bill be made an order of the day for the next sitting.

Members will be aware that the former President gave an extensive ruling on section 46 of the Constitutions Act Amendment Act 1899 so far as that section has a bearing on a Bill such as this; that is, a Bill for the ordinary annual services of the Government. I need to consider whether that ruling has any application to this Bill. In doing so, it is my intention to consult with Ministers in this House in the next few days, and to give me time to consult, the Bill should not proceed beyond its first reading pending the outcome of those consultations and my deliberations.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 1)

Receipt and First Reading

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

APPROPRIATION (CONSOLIDATED FUND) BILL (No 2)

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) [2.02 pm]: I move -

That the Bill be now read a second time.

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

Capital expenditure and financing transactions are estimated to total $281 200 000 of which $69 800 000 is permanently proposed under special Acts, leaving an amount of $411 400 000 which is to be proposed to the services and purposes identified in the schedule to this Bill.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

JOINT STANDING COMMITTEE ON THE ANTI-CORRUPTION COMMISSION

Assembly's Message

Message from the Assembly requesting concurrence in the following resolution now considered.

The message from the Assembly was as follows -

The Legislative Assembly acquaints the Legislative Council that it has agreed to the following motion -

(1) That a Joint Standing Committee of the Legislative Assembly and the Legislative Council be appointed -

(a) to monitor and review the performance of the functions of the Anti-Corruption Commission established under the *Anti-Corruption Commission Act 1988*;

(b) to consider and report to Parliament on issues affecting the prevention and detection of "corrupt conduct", "criminal conduct", "criminal involvement" and "serious improper conduct" as defined in section 3 of the Anti-Corruption

Commission Act 1988. Conduct of any of these kinds is referred to in this resolution as "official corruption";

(c) to monitor the effectiveness or otherwise of official corruption prevention programs;

(d) to examine such annual and other reports as the Joint Standing Committee thinks fit of the Anti-Corruption Commission and all public sector offices, agencies and authorities for any matter which appears in, or arises out of, any such report and is relevant to the terms of reference of the Joint Standing Committee;

(e) in connection with the activities of the Anti-Corruption Commission and the official corruption prevention programs of all public sector offices, agencies and authorities, to consider and report to Parliament on means by which duplication of effort may be avoided and mutually beneficial co-operation between the Anti-Corruption Commission and those agencies and authorities may be encouraged;

(f) to assess the framework for public sector accountability from time to time in order to make recommendations to Parliament for the improvement of that framework for the purpose of reducing the likelihood of official corruption; and

(g) to report to Parliament as to whether any changes should be made to relevant legislation.

(2) The Joint Standing Committee shall not -

(a) investigate a matter relating to particular information received by the Anti-Corruption Commission or particular conduct or involvement considered by the Anti-Corruption Commission;

(b) reconsider a decision made or action taken by the Anti-Corruption Commission in the performance of its functions in relation to particular information received or particular conduct or involvement considered by the Anti-Corruption Commission; or

(c) have access to detailed operational information or become involved in operational matters.

(3) The Joint Standing Committee consist of 6 members, of whom -

(a) 3 shall be members of the Legislative Assembly; and

(b) 3 shall be members of the Legislative Council.

(4) No Minister of the Crown or Parliamentary Secretary to a Minister of the Crown be eligible to be a member of the Joint Standing Committee.

(5) A quorum for a meeting of the Joint Standing Committee be 3 members, each House of Parliament being represented by at least one member.

(6) The Joint Standing Committee have power to send for persons, papers and records, to adjourn from time to time and from place to place, and, except as hereinafter provided, to sit on any day and at any time and to report from time to time.

(7) The Joint Standing Committee not sit while either House of Parliament is actually sitting unless leave is granted by that House.

(8) A report of the Joint Standing Committee be presented to each House of Parliament by a member of the Joint Standing Committee nominated by it for that purpose.

(9) In respect of matters not provided for in this resolution, the Standing Orders of the Legislative Assembly relating to select committees be followed as far as they can be applied.

The Legislative Assembly now presents the same to the Legislative Council for its concurrence and requests the appointment of three Members of the Legislative Council accordingly.

Committee

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

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [2.05 pm]: I move -

> That the Legislative Council agrees with the resolution of the Legislative Assembly contained in message No 3 to constitute a joint standing committee to oversee the Anti-Corruption Commission.

The purpose of this motion is to seek the concurrence of the Legislative Council in respect of a motion that has been passed by the Assembly. The motion is message No 3 and it is part of the supplementary notice paper.

Members would be aware the Anti-Corruption Commission legislation requires the setting up of a parliamentary joint house committee to monitor the activities of the Anti-Corruption Commission. The Assembly has met its part of the bargain by agreeing to set up the joint standing committee. The Legislative Council must now concur with that if the formation of the committee is to proceed.

I will not go through what the committee will do other than to say that the message outlines the scope and role of the committee, which is essentially, to monitor and review the performance of the functions of the Anti-Corruption Commission established under the Anti-Corruption Commission Act 1988 and then to consider and report to Parliament on issues affecting it and the prevention and detection of corrupt and criminal conduct, criminal involvement and serious or improper conduct as defined in section 3 of the Anti-Corruption Commission Act. Conduct of any of the above is official corruption. It goes on to describe what is required to be done by the committee.

The joint standing committee is to consist of six members, three from both houses. The Opposition has an amendment on the notice paper to make that eight members, four from either house. The Government will support that amendment when it is moved by Hon Nick Griffiths in due course.

This is a mechanical motion requiring this House to either concur or not concur with the formation of the committee. I seek the support of the House to do so.

HON N.D. GRIFFITHS (East Metropolitan) [2.10 pm]: The Opposition would like to see the committee established as soon as possible. I agree with the remarks made by the Leader of the House. I move -

> Paragraph (3), line 1 - To delete "6" and substitute "8".
>
> Paragraph (3), line 3 - To delete "3" and substitute "4".
>
> Paragraph (3), line 4 - To delete "3" and substitute "4".
>
> Paragraph (5), line 1 - To delete "3" and substitute "5".

Amendments put and passed.

Question (motion as amended) put and passed.

Report

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

Appointment of Members

On motion by Hon N.F. Moore (Leader of the House), resolved -

> That the following members be appointed to serve on the Joint Standing Committee on the Anti-Corruption Commission: Hon J.A. Cowdell, Hon N.D. Griffiths, Hon Murray Montgomery and Hon Derrick Tomlinson.

LAND ADMINISTRATION BILL

ACTS AMENDMENT (LAND ADMINISTRATION) BILL

Discharge from Notice Paper and Referral to Standing Committee on Legislation

HON NORM KELLY (East Metropolitan) [2.16 pm]: I move -

> That Order of the Day No 3 be discharged and the Bills be referred to the Legislation Committee.

Owing to the change in numbers in this House the old membership debated the Bills at the second reading and Committee stages, but the new members have been involved in debate only during the second half of the Committee stage. Although the Democrats have some reservations about the Bill, particularly the way it relates to reserves, pastoral leases and native title, we do not object to the Bill in principle. The Land Administration Bill seeks to modernise crown land administration in Western Australia. The crown land administration powers have been consolidated, and the Bills will codify all processes related to crown land surveys, reserving crown land for a specific purpose, and the sale or transfer of crown land to freehold.

The Bill introduces a Torrens system of land registration under the Transfer of Land Act, and will apply it to crown land. The registration system requires that all transactions affecting crown land be registered under the Transfer of Land Act to be effective. The system has many advantages, including security and certainty of title, simplification of the process and improved accuracy in transactions relating to land. This will be a massive undertaking, although the Department of Land Administration is working very efficiently in carrying out its duties.

Another positive aspect of the Bill is that hazards and contaminated sites on land must be registered and present on the crown land title. This is a significant improvement on the current system, and the Democrats are strong supporters of this element of the legislation. Under this system prospective pastoral lessees will be informed of any hazards or easements on the land before they take on a lease. This will also serve as a record of contaminated sites, which will be useful for pollution control. This is also a positive aspect in that it will provide protection for the Government against possible claims of liability. The Bill will also act as a codification -

The PRESIDENT: Order! The member has moved that the Bills be discharged and referred to the Standing Committee on Legislation. It is important that the member not make a second reading contribution on the matter. He must outline his reasons for the discharge and referral. He has done that. He cannot now move into general areas. When the member has completed his comments I will seek a seconder, and put the vote if no other member seeks the call.

Hon NORM KELLY: I accept that, and thank you for your direction, Mr President. As I was unable to participate in the earlier Committee stage of the Land Administration Bill, it is necessary to comment now upon aspects covered in debate which preceded my presence in this place.

A concern with this Bill is the right of appeal to the Governor regarding a decision of the Minister. This is an archaic procedure and does not provide for a proper appeal process. The Minister must document the background of an appeal and recommend the action the Governor should take on the appeal. In essence, it is a Caesar to Caesar appeal. Given the recommendations of the Commission on Government that an administrative appeals body should be established in this State, the appeals process outlined in this Bill needs review. I could have given that matter attention if I had participated in the second reading and Committee stage of this Bill.

Another area of a grave concern for the Australian Democrats is the number of changes to be made in relation to A class reserves without consideration by Parliament. The Minister will have the power to reclassify, excise land, change the reserve and make roads by order. The Democrats are concerned that although such changes will be tabled in Parliament, they will not be included in reserves Bills. This process may affect the protection afforded by A class reserve status. The Democrats accept that some form of public process is allowed in this Bill by way of public notices, but a weakening of the overall process is involved.

Pastoral leases are another area of major concern. The Minister should not have the power to interfere with the powers of the Pastoral Lands Board. We are pleased that the direction of the board must be disclosed in the board's annual report so the public is made aware of such direction - the board will give effect to any direction made by the Minister but it must be reported. In one sense, that is a good move.

However, the constitution of the board, previously dealt with under the old Lands Act, has been revamped, and the Democrats object to the provision relating to the constitution of the board as insufficient environmental and community representation will be included. The board's role is to give increased emphasis to environmental concerns, particularly with the degradation of pastoral lands, yet these new functions are not readily expressed in the composition of the board. As community groups and members of the public are given the opportunity to access and contribute to environmental protection under the Environmental Protection Act, so community groups should be able to contribute to policy development in the pastoral industry.

Ministerial patronage with appointments to the board is also a concern. It is essential that we have an open and transparent process when selecting members of the board on the basis of merit and skill. I recently had discussion with the Minister for Lands and as a consequence he is working on possible changes to the make up of the board to address my concerns. Given the large number of pastoral leases managed or owned by Aboriginal interests, such interest should be reflected in the composition of the board. Although provision is made for one government

employee with skills in conservation areas to be appointed to the board, a non-government employee reflecting the same skills should also be appointed to reflect community interests.

I am largely concerned that this Bill progressed to this stage before I, along with eight other members, came into this place; therefore, we missed out on the opportunity to provide multipartisan support. Constructive changes could have been made in this House before the Bill was ready to be sent to the other place. About one-quarter of members in the Legislative Council did not partake in Committee discussion on this Bill. Although I enjoyed the dialogue between the Minister and Hon Mark Nevill on aspects of this Bill in that debate, Government members like Hon Greg Smith - with his knowledge of pastoral matters - have also not had opportunity to contribute. Non-government parties would like a dialogue with the Government on this Bill. I am sure some differences would emerge, but constructive discussions could be held.

Hon Derrick Tomlinson: Did you hear Mr Lockyer on the topic?

Hon NORM KELLY: Yes.

Hon N.F. Moore: He was here for a fair while.

Hon NORM KELLY: I am aware of his expertise and continued involvement in this area, but the Council is to vote on a Bill partially agreed to by past Council members - some current members did not participate in that debate. For this reason, I call on members to support the motion to ensure that proper scrutiny, which should be an integral part of this place, is carried out by the current members of this place; namely, those who reflect the wishes of the people at the last election.

HON MAX EVANS (North Metropolitan - Minister for Finance) [2.28 pm]: As we all know, the work on this Bill began under the previous Labor Government in 1988, and a Bill was drafted in 1995. It was sent out to a range of community groups in different areas, and I hope the Australian Democrats people looked at the draft. This draft Bill was reprinted in 1996 as a result of the draft's exposure and the consultation process in 1995. I believe some further changes were also made in 1997 before this Bill was brought before both Houses of Parliament.

This very important legislation will bring together three measures into one Bill and iron out a number of wrinkles. It will improve the government register of property; in fact, a certificate of title system was not in place until recently. Importantly, all those aspects have been well covered by all people involved, and we have agreed that the legislation will be reviewed at a later date. It was always the intention of the Government to see how the legislation worked in practice. It is important to get on with the matter. The previous Labor Government and this Government promised this legislation for some time, and one can keep saying, "Have another whack at it".

It is time to get on with these initiatives; we must have a cut-off point. Many people are waiting for certainty after so much uncertainty in this area. Once the legislation is passed, the Department of Land Administration will be able to get on with its next job. We all want the certainty which will be achieved by implementing this legislation.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [2.29 pm]: The handling of this Bill was raised with the Labor Party on Tuesday by the Greens and the Democrats, who indicated that they would like its consideration postponed for a week. I regarded that as a considerable "ask" of the Labor Party. However, I took the proposal to my party room and found, to my surprise, that members agreed to it; that is, if the Greens or Democrats asked us to postpone the matter on Tuesday, we would do so. On Tuesday when this matter came up for consideration, regrettably not strictly according to the correct formula, but nonetheless to oblige the Greens and Democrats, we were available to do that. The flow of government business through this House is an important issue. The Labor Party has no intention of mucking about with the Government's agenda. If the Greens and Democrats want us to consider certain issues, our party has a process where if those issues come before our party meetings on Tuesdays, they will be considered. However, if subsequently the Greens or the Democrats suddenly spring upon us proposals to derail or delay the Government's program, regrettably we cannot readily respond. We were in a situation to assist the Greens and the Democrats on Tuesday; we are not in that situation now.

We take seriously the proposals that were put before this House last night; that is, this Government has been elected to govern, and this House is entitled to subject the Government's legislative program to review and scrutiny. I am apprehensive about this legislation, and I make no apology for that. I would prefer a situation where the report was not adopted and the third reading was not given today, and I was prepared to put that proposal to the party room on Tuesday, as I did. However, the Democrats, for whatever reason, chose not to avail themselves of that opportunity on Tuesday. I am no longer left with the flexibility to muck the Government about today.

Hon Norm Kelly: It is in order to get a better Bill to the other House.

Hon TOM STEPHENS: Hon Norm Kelly had that opportunity on Tuesday.

Hon Norm Kelly: Tuesday was about the Government's handling of the order of business.

Hon TOM STEPHENS: On Tuesday the Democrats had the opportunity of putting before the House any motion it chose that would have lead to the adjournment of this matter. I might have chosen the wrong device, but it was up to the Democrats to choose the right device. If the Democrats on Tuesday did not select the correct device, regrettably I cannot assist them today; their opportunity was on Tuesday. I will not muck around the Government. We accept the right of this Government to govern. We also believe that this Chamber is entitled to subject the Government's legislation to review and scrutiny.

Hon Norm Kelly: That is what this motion provides.

Hon TOM STEPHENS: The Democrats put a proposal to us on Tuesday and we were able to assist. Regrettably, we are not able to assist the Democrats today in mucking around the Government at short notice by deferring the consideration of this Bill. In those circumstances, the Opposition will vote with the Government for the adoption of this report and the conclusion of the passage of this legislation through the upper House.

However, it does teach us all an interesting lesson. All of us on this side of the House know that we are in a powerful position. That requires collaborative and cooperative action that does not muck around the right of this Government to govern.

Hon Derrick Tomlinson: And, as you are demonstrating, responsible action.

Hon TOM STEPHENS: I thank Hon Derrick Tomlinson for that comment. We respond positively to the challenge that has been given to us by the people of Western Australia; that is, to treat legislation in an orderly fashion. This Government has been elected to govern. If other members want to review and scrutinise this legislation, we are open to that. A process is in train. We need to regularise that process. I hope that in the future we do not get caught in this situation again. The Labor Party will support the Government in the adoption of this report.

HON GIZ WATSON (North Metropolitan) [2.34 pm]: Concerns were raised with the Greens about this legislation, and we were seeking an adjournment of one week to consider three aspects: The implications for native title, the composition of the Pastoral Board, and the changes to the reserves system. We are disappointed that this was not dealt with on Tuesday, which was our preferred option. We support the Democrats' move that this Bill be referred to a committee. We are not happy that the procedure has gone this way.

Question put and a division taken with the following result -

Ayes (5)

Hon Helen Hodgson	Hon Christine Sharp	Hon Norm Kelly *(Teller)*
Hon J.A. Scott	Hon Giz Watson	

Noes (27)

Hon Kim Chance	Hon John Halden	Hon B.M. Scott
Hon E.J. Charlton	Hon Ray Halligan	Hon Greg Smith
Hon J.A. Cowdell	Hon Tom Helm	Hon Tom Stephens
Hon M.J. Criddle	Hon Barry House	Hon W.N. Stretch
Hon Cheryl Davenport	Hon Murray Montgomery	Hon Bob Thomas
Hon E.R.J. Dermer	Hon N.F. Moore	Hon Derrick Tomlinson
Hon B.K. Donaldson	Hon M.D. Nixon	Hon Ken Travers
Hon Max Evans	Hon Simon O'Brien	Hon Muriel Patterson
Hon Peter Foss	Hon Ljiljanna Ravlich	*(Teller)*
Hon N.D. Griffith		

Question thus negatived.

Report

Bills reported, without amendment, and the reports adopted.

BANK MERGERS BILL
BANK MERGERS (TAXING) BILL

Committee

The Deputy Chairman of Committees (Hon Derrick Tomlinson) in the Chair; Hon Max Evans (Minister for Finance) in charge of the Bills.

Bank Mergers Bill

The DEPUTY CHAIRMAN: Before proceeding to the consideration of its clauses, this Bill was referred to the Standing Committee on Legislation. The standing committee's report was presented yesterday. Before putting questions on the individual clauses, the following questions contained in the report must be put. The question is -

That the amendments recommended by the Legislation Committee, namely -

(a) those contained in Supplementary Notice Paper No 8 in the name of the Minister for Finance; and

(b) that contained in recommendation No 2 of the committee's report on page 6

be agreed to.

Hon J.A. COWDELL: I support the motion before the Chair. The Labor Party is committed to two principles in this legislation as outlined by our parliamentary leader, Dr Gallop, in another place. The first is that the Parliament be not excluded from its proper role of scrutiny of the Executive in matters subsidiary to but nevertheless important to bank mergers and that special care be taken when implementing the law of another State or Territory. The second is that the Opposition will not oppose or unduly delay the National Australia Bank and Bank of New Zealand merger. Guided by these principles the Labor Party has determined to support the legislation with the addition of those amendments proposed by the Legislation Committee and by the Minister in conformity with the recommendations of the committee. I understand that the Minister for Finance is supportive of recommendation one of the committee, and that this will be dealt with by means of amendment to the Bank Mergers Bill and by message to the other place on the Bank Mergers (Taxing) Bill. Recommendation two involves the amendment of clause 22. We support that proposed amendment and, therefore, support the motion that is before the Chair.

Members will be aware, and it is put very well in the Legislation Committee report, that recommendation one is to clearly define the parameters of the Treasurer's discretion. Members would find presented in paragraphs 5.4 and 5.5 a summary of the situation, which indicates a willingness on the part of the Minister for Finance to accommodate the concerns of members of this Chamber, notably Hon Helen Hodgson, who raised these questions when proposing a motion that the matter be referred to the Legislation Committee. The Minister when he was before the committee indicated that amendments might be made to the parameters of the Treasurer's discretion, as there was no proposal by the Government to go beyond certain parameters, at any rate, and it was happy that they be defined. For that reason it certainly improves the legislation.

The second matter of concern involved the scrutiny of the regulations. We found that there was concern about the manner of scrutiny of regulations as they pertain to this sort of merger; that is, scrutiny in the traditional way. We could have proceeded with the legislation in its current form, which allows the consideration of regulations which may come into effect late in August, some considerable time after the merger has taken effect, when any decision of either House of Parliament could have no effect. The concern was that this enabling piece of legislation would permit this to happen time after time with successive mergers. I understand that another merger is proposed in October of St George's Bank and the Advance Bank. Others are certainly coming up.

Consideration was given by the committee as to whether it was satisfactory to have the current available scrutiny. Certainly if something went wrong with a set of regulations, the relevant committee could propose substantive legislative changes thereafter. The committee did not feel that this was a satisfactory option but an exercise after the horse had bolted and that, indeed, if a merger were taking place and regulations were changed in the middle of the operation, the situation would be more confusing. The committee considered the option that the Bill should proceed subject to an amendment providing that regulations made under the Bank Mergers Bill did not come into effect until after the Parliament had an opportunity to scrutinise or affirm them.

That has a number of advantages. It preserves the imperative of the parliamentary right to scrutiny over regulations; it ensures certainty of process after the regulations are affirmed; and it retains the advantage of removing much of the delay and uncertainty in the passage of the legislation. In many ways this is the most desirable option. However, it does not remove delays caused by parliamentary recesses. If that option were adopted it would not allow the National Australia Bank and the Bank of New Zealand merger to go through by 30 June, which seems desirable. Therefore we came back to the option as submitted by the Standing Committee on Legislation of a sunset clause for 30 June. Although this legislation was set up as a device to be used on many occasions, it will be used only on this occasion.

By adopting this proposal we will maintain the status quo, where particular merger Bills are brought in on each occasion that bank mergers are proposed. The merit of that is in increased scrutiny by this Parliament, and the matter is not entirely left to the Executive. The advantage is that when this Bill is enacted it will be used to effect the merger that is in hand by 30 June. Consideration was given to extending the sunset clause from 30 June to 30 October to

take into account the proposed 1 October merger between St George Bank Ltd and Advance Bank of Australia Ltd; however, members who considered this situation felt that would overthrow the principles as embodied by this committee's report and therefore did not support it.

The Australian Labor Party supports the motion before the Chair that embodies the recommendations of the Legislation Committee which it believes are sound. The clear message to the Government is that there can be no carte blanche for executive action in expediting bank mergers; there must be greater scrutiny. If the Government wants an ongoing mechanism it should introduce a Bill which will involve the affirming of regulations up-front. On that basis I could see legislation in place, rather than a specific merger Bill applying to each bank on each occasion. That option is still open. The Opposition supports the sunset clause now. This Bill will apply to this merger.

The DEPUTY CHAIRMAN (Hon Derrick Tomlinson): I remind members that this is a different procedure from that which has been pursued in the past. The standing orders state that if the amendments proposed by the Legislation Committee are agreed to the other clauses of the Bill shall be put without debate - unless they are to be amended.

Hon HELEN HODGSON: I am pleased that the concerns that I raised in this Chamber three weeks ago have been considered and addressed through the Legislation Committee. The role of the committee system is to consider legislation impartially and to decide whether the concerns should be addressed.

I referred this Bill to the committee on the principle of accountability. That has been adequately addressed in the amendments proposed by the committee. I was present when the committee took evidence on the issue of protection of revenue. It became clear that it was the practice and it is the intention that revenue would be collected by reference to what it would have been in ordinary circumstance. I am pleased that the Minister has recognised that concern and has placed an amendment on the Notice Paper to ensure that is now enshrined in the legislation.

The issue of regulations is much more difficult. I have heard the three options that were raised by Hon John Cowdell and I prefer the second option, which is affirmation of regulations. That is the best way of ensuring scrutiny without impeding what is a commercial transaction. I accept the practical difficulties in the current merger. Only 18 days remain until 30 June and I understand that the practical implications of an affirmation procedure would make it impossible to finalise the process by 30 June. That would create major problems to the merger that is currently under consideration between the National Australia Bank and the Bank of New Zealand, as the requirement is for the reporting systems to be in place and to prepare their financial reports by 30 June.

For those reasons I am happy to accept the committee's recommendations on the way to proceed on this Bill. It was not the intention of the Australian Democrats to unduly delay the imminent merger of the two banks, which is essentially a commercial arrangement between those two parties. However, we want to ensure that legislation before this Chamber properly addresses the issue of accountability.

Hon J.A. SCOTT: This proposal from the Legislation Committee has satisfied my concern in the area of accountability. It appears to be an elegant solution to the problem, and I commend the committee for its good work.

Hon MAX EVANS: I thank the committee for its deliberations, with the result that this merger will go through by 30 June. This Bill is the least consequential of any Bill that we have debated in this place. This Bill expedites the paper work not only for my staff but also for the banks. I accept that the Opposition, and some members on our side of the Chamber, did not like the wording of the Bill in relation to regulations. Unfortunately, time caught up with the banks. Australian banks do not balance until 30 September; however the deadline for banks in New Zealand is 30 June and that is the reason for the 30 June deadline. The date for the St George and Advance merger is 30 September.

We will go back the drawing board about that. We might extend the sunset clause from 30 June to 31 October. I have worked out three options, and we will get through it. We have to, because business will go on. This is not a contentious issue; it is not illegal. This is a facilitation clause to make life easier for government and business. We will find a way around it.

A letter to Mr Geoff Armbruster of the Bank of New Zealand, who has been handling this problem, from John Dyer, Manager, Projects Finance in Treasury states -

> Attached is a list of the statutory and regulatory requirements that will become required should legislation in WA go past the 30th June.

I will not have the list incorporated in *Hansard*. It continues -

> So far we have worked our solutions to the integration on the basis that legislation or customer consent will be in place prior to 30th June.

> It is now too late to go the customer consent path for WA.

That has happened in only the past week or two. I am not certain what will happen. It was suggested that 6 000 clients were involved. It continues -

> Whilst we have put in place processes to be able to isolate the profit and loss on a legal entity split the same processes have not been done for the Balance Sheet because of the assumption of not crossing the 30th June (note also they were not a requirement at May month end).

In other words, a balance sheet is done every month and it is assumed that all these transactions would have taken place. The balance sheet of the Bank of New Zealand is closing. It continues -

> It should be noted the profit and loss reporting is subject to a management agreement that goes beyond the strict legal interpretation and has alleviated some of the balance sheet issues put forward.
>
> Most of these reporting requirements source from our General Ledger. BNZA the division can now offer both BNZA and NAB products. As such the legal ownership will not be able to be isolated purely by looking at the General ledger value for WA. This would have the following repercussions
>
> . FID/BAD and Withholding tax returns will need to be checked on a customer by customer basis to determine Legal ownership.
>
> . Most RBA returns will be dependant on the same manual extraction of legal ownership.
>
> . Statutory requirements on the Financial Accounts would require this information to be extracted on a line by line basis for all the asset classes.
>
> . The SEC requirements of the United States of America will also require average balances of the same information, this is only available at the General Ledger level so will probably require estimations.
>
> . The Reserve Banks would need to be comfortable with the final amount allocated between jurisdictions and cross funding put in place to account for same.
>
> . There are no plans for BNZA accounting staff to be in the integrated operation post June 30th. This will require a new suite of acceptable signatories for the WA portion.
>
> . This would require an extension of the RBA licence.
>
> It is not an option to be able to change our general ledger to account for such a short term requirement.

I am grateful that we now have a solution to this problem. As I thought, in the first instance most of the problem revolved around the United States revenue. Now there will be 6 000 documents and if they are held in both Australia and New Zealand, it will cause major problems. I thank the Committee for allowing this process to occur. I will look at the St George's Bank and Advance Bank mergers in some other format.

Question put and passed.

The DEPUTY CHAIRMAN (Hon Derrick Tomlinson): The effect of agreeing to those amendments is the deletion of clause 18 as printed in the Bill, and the deletion of clauses 21 and 22 as recommended by the report.

Clauses 1 to 17 put and passed.

The DEPUTY CHAIRMAN: The amendment on the supplementary Notice Paper standing in the name of the Minister for Finance is no longer necessary as clause 18 has been deleted.

Clauses 19 and 20 put and passed.

Title put and passed.

Bank Mergers (Taxing) Bill

Committee

The Deputy Chairman of Committees (Hon Derrick Tomlinson) in the Chair; Hon Max Evans (Minister for Finance) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Requirement for payment of amount instead of State taxes and charges -

Hon MAX EVANS: I move -

That a message be transmitted to the Legislative Assembly requesting that the Bill be amended as follows -

Clause 3

Page 2, line 15 - To insert after the word "would" the words ", but for the merger being provided for under the *Bank Mergers Act 1997,*".

Page 2, line 18 - To delete the words "proper in the circumstances" and substitute "equal to the amount of those duties, taxes, charges, rates or other imposts".

Hon J.A. COWDELL: I support the motion. As I said in my previous comments, these amendments, if accepted, will provide parameters for the discretion of the Treasurer. Under the Bank Mergers (Taxing) Bill rather than the banks having to pay any duties, taxes, charges or other imposts with which the bank or banks concerned would otherwise be liable to pay under law, a constraint is put in place. Rather than the amount being, in the opinion of the Treasurer, a proper amount in the circumstances, the clause now states that it is the amount which, in the opinion of the Treasurer, is equal to those duties, taxes, charges, rates and other imposts. Very clearly we have spelt out the discretion. We are levying what would normally be expected if we went the long way around in terms of documentation. It is a considerable improvement. It is in line with what the Legislation Committee has suggested and what the Minister for Finance has agreed to. On that basis, the Opposition wholeheartedly supports a message in these terms going to the Legislative Assembly.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 4 put and passed.

Progress reported and leave given to sit again.

STATE TRADING CONCERNS AMENDMENT BILL

Second Reading

Resumed from 11 June.

HON HELEN HODGSON (North Metropolitan) [3.10 pm]: The State Trading Concerns Act is an old Act. Last night Hon Mark Nevill gave the history of it and told us about some of the areas it covered in the past. We must appreciate that it does not deal with the realities of today's commercial environment. These days many government department's involve commercial activities as part of their operations. Generally people have no problem with State Governments carrying on business operations as long as proper accountability measures are in place. I am sure that members are sick of hearing the word "accountability"; nonetheless, we must make sure that the accountability processes are safeguarded.

We have already had one debate on the effect of regulations in this situation. That was the perspective from which I was considering this amendment. I can see the way the regulations are designed to work under this legislation.

A clause in the Bill provides for the way that the Government can make regulations. The regulations must describe the department that can be affected and the activities that can be governed through regulation. From that point the Minister approves the pricing policy. That is rather different from the Bank Mergers Bill because the situation could have arisen where no opportunity arose for regulations to be scrutinised. However, at this stage Parliament can scrutinise arrangements at two stages before pricing policies are developed; that is, the department and the activities. If it is considered that a department should not be entering into commercial arrangements that regulation can be disallowed before commercial activities commence. The same will apply if it is felt that a department should not undertake certain activities.

I examined the pricing policy which will be set by the Minister to see whether it was adequate. It revealed two competing priorities. On one hand, the accountability provision, if taken to its extreme, would require every price list to be tabled. On the other hand, we realise that in most instances commercial transactions by government departments involve many small items, such as books and maps, which are of no great concern. Given that we can scrutinise the activities subject to this policy and say that we do not want, say, a large scale activity dealt with by of regulation, if the activity is the sale of books through government print it would be acceptable for the actual price structures to be set by the Minister. The legislation contains sufficient accountability steps to make it workable.

We must also ensure that government departments are competing in a truly commercial context. Some government departments may not be subject to the same taxes and charges as an independent retailer. We must be very conscious that by easing the way for government departments to enter into trading concerns we do not make it more difficult for small traders in the market place to continue to operate viably.

The Australian Democrats support the Bill.

HON MAX EVANS (North Metropolitan - Minister for Finance) [3.17 pm]: I thank the Australian Labor Party and the Australian Democrats for their support. I enjoyed last night's speech by Hon Mark Nevill on the history of the trading enterprises since the turn of the century. He spoke about former Premier Jack Scaddan, the Wyndham Meatworks and Stateships, which it took us a long time to get rid of together with about $50m. We can blame the losses on Jack Scaddan because he bought four steamships and kept trading them in on the more expensive ones over the years.

Hon J.A. Cowdell interjected.

Hon MAX EVANS: Hon Eric Charlton wishes those ships had never been bought because he had to get rid of them. Jack Scaddan established the meatworks, the brick works, and the state engineering works.

I became aware of the State Trading Concerns Act in 1987-88. The Western Australian Export Development Corporation Pty Ltd was a subsidiary of the Western Australian Development Corporation and had an initial capital of $7m. It was used to buy the cattle stations up north from the Emanuel families for $6m provided by the Federal Government. It involved the most creative accounting I have ever seen in my life, but that is another story. The Premier at the time intended to make a big profit on them. It cost the State Government only $2m but it forgot about the grant of $6m from Clyde Holding, the then Federal Minister for Aboriginal Affairs. The Government was suddenly facing big losses because the $7m capital had an overrun fairly early. Under Corporations Law the Government could not put another $7m into a company. Therefore it set up Exim Corporation under an Act of Parliament. Then it had to refer to the State Trading Concerns Act because it was going into business and hoped to make profits. I do not know whether it did. If the Government had known those companies were going to make losses it would not have had to go to the State Development Corporation.

Hon J.A. Cowdell: A lot of state trading concerns made losses.

Hon MAX EVANS: The Government at the time read the Act. Because of the meatworks and butcher shops, for example, it had to get some control. It did not realise what had happened in the years before. That was the start of it.

Hon Helen Hodgson hit the nail on the head. Recently, things have been done for profit. The State Trading Concerns Act was clear on that. I have a lot of trouble with government departments and legal authorities determining the difference between overheads and profit. I was prepared to take this matter to court. Most of the time cost to the departments is only a piece of paper; it is not the $2m that was used to create a piece of paper quickly.

Years ago people used to get a certificate of title from the Department of Land Administration for £2 and it would take three to five hours to produce. It was a long, slow process. Now it costs about $8 and it takes five minutes; however, there has been a huge cost behind that. The big debate was about how much should be charged. The Joint Standing Committee on Delegated Legislation considered whether it was a tax, when really only the cost of overheads were being recovered. There was a debate on this matter. That is one of the reasons a change was required. It must be costed out.

The Valuer General had a similar problem. His office was selling many products that were in demand by the community. They could not be given away for the price of the paper because a lot of technology was bought to produce them. The legislation for the Valuer General's Office was changed so the product could be sold legally, because there was some doubt about what would be charged for it.

I interjected the other night and asked whether we should abolish this legislation because of some of the problems. However, there are still some good parts in it. Mr Scaddan might have a great grandson who wants to buy properties or go into business and we might have to protect ourselves from that. Therefore, the Government has left the legislation in place, but seeks to make these amendments so the legislation is clearer for departments and trading operations.

Hon Helen Hodgson is worried about the Government underselling things. While I am Minister I will ensure the Government does not do that. If it is in competition, it will get a fair job at a fair price. Net appropriations have made this area more meaningful. If there is extra money to be earned, authorities can keep it and develop further. That has many benefits. This is simple, but important, legislation. I thank all parties for their support and I commend the Bill to the House.

Question put and passed.

Bill read a second time.

Committee

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

Clauses 1 to 4 put and passed.

Clause 5: Section 4A inserted -

Hon MAX EVANS: I move -

Page 4, after line 8 - To insert the following lines -

(5) A reference in this section to the carrying on of a trading concern by a financial entity includes a reference to the carrying on of a trading concern by the State for that financial entity.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 6 put and passed.

Title put and passed.

Bill reported, with an amendment.

CURRICULUM COUNCIL BILL

Second Reading

Resumed from 14 May.

HON LJILJANNA RAVLICH (East Metropolitan) [3.28 pm]: The objects of this Bill are fourfold: First, to establish a Curriculum Council; second, to provide for the development and implementation of a curriculum framework for schooling that takes into account the needs of students and sets out the knowledge, understanding, skills, values and attitudes that students are expected to acquire; third, to provide for the development and accreditation of courses of study for post-compulsory schooling; and, finally, to provide for the assessment and certification of student achievement.

One of the first things that struck me about this legislation was the lack of definition of a curriculum framework. This lack of definition makes it difficult to conceptualise what the framework will look like, what the resource implications of this framework will be, and the impact it will have on the education system. I do not know whether this framework will be a one page document or a comprehensive detailed document that will have enormous resource implications for schools.

Hon Derrick Tomlinson: I think you will find it is sets of documents.

Hon LJILJANNA RAVLICH: I will take the member's word for it. I will be interested to see what the final product looks like. We are told the framework will cover kindergarten to year 12, and will be mandatory for all schools - government and non-government. It will apply also to home schooling. It will be based on a learning outcomes model and focus on educational outputs rather than educational inputs. As part of the outcomes based approach, students will be advised at the beginning of the course of the outcomes they are expected to achieve. Although I agree with that in principle, I see some dangers in an outcomes based approach from the point of view that some teachers may well be tempted to do what was commonly referred to in education as teaching to a test, without giving due consideration to the education process itself. That gives me some cause for concern, and no doubt it would give some teachers and parents cause for concern also. I simply caution against that and make the point that if the outcomes based approach to learning is successful, consideration must be given to the intrinsic values of the learning process.

I turn now to the functions and powers of the council. Among other things, the council has the power under clause 15(2)(f) and (g) to publish and sell information acquired by it and to charge for services it provides to any person, including any Government, governmental agency or governmental instrumentality, whether inside or outside Australia. Although I do not have any great objections to the Curriculum Council charging for services it might sell offshore or interstate, I have some major concerns about schools potentially being charged for curriculum services

or material. This Bill must protect against a fee for service arrangement whereby costs are passed directly to schools. As the council will be responsible for the accreditation of new curriculums and the contracting of consultants as required to develop curriculums on behalf of the council, there must be safeguards with this Bill to ensure the costs of these activities are not passed to schools. If that were the case, this practice could result in more affluent schools having access to a wider range of curriculums, possibly at the expense of schools in poorer areas that may not be able to afford the extensive range of curriculums which I understand may result from the work of this new Curriculum Council.

Hon Bob Thomas: What about smaller country schools?

Hon LJILJANNA RAVLICH: The same applies to smaller country schools. I understand an interim Curriculum Council has been working for the past 12 months. No honest citizen, and certainly no school community, would want disadvantage of any sort to arise from this legislation.

A further function of the Curriculum Council is to develop professional development plans necessary to support the implementation of the framework for teachers. There is a high degree of cynicism among teachers, who allege that this Government has a track record of introducing new initiatives that place additional impositions on teachers but are not appropriately resourced with professional development funding. Given that the Government has allocated a budget of only $6m to the Curriculum Council, I suspect it falls considerably short of that which is required to implement this initiative at a systems level and provide the required level of professional development funding to teachers for the effective implementation of this policy initiative. I am advised funding for the professional development of teachers has been dramatically cut since this Government came to office while at the same time increased devolution to schools has required schools to do more with less.

Hon N.F. Moore: Can you justify that statement?

Hon LJILJANNA RAVLICH: I want to be assured that this curriculum framework will not add to the resource limitations schools currently face. This initiative will place enormous pressures on schools and teachers because they will be asked to play a role in the devolution process without the necessary professional development.

I was advised at the recent Estimates Committee that more devolution is planned under the local area education framework, which will give school communities a wide range of new responsibilities. It will undoubtedly also place greater pressure on schools and teaching staff. These pressures are inevitable because, as I was advised at the Estimates Committee, there will be a reduction of 170 FTEs from central and district office staff. That is 170 fewer FTEs in the education system. In addition, the number of district education officers will be reduced from 29 to 16 - a 50 per cent reduction of resources in that area. I was also advised at the Estimates Committee that the number of district superintendents will be reduced from 29 to 21. These are substantial reductions in resources and they must be accounted for somewhere in the system. The simple truth is that the resource shortfalls will impact directly on teachers, who will be expected to play a role in filling the gaps created.

Hon N.F. Moore: More money is being spent but it will be spent differently.

Hon LJILJANNA RAVLICH: These cuts will come on top of other substantial cuts. I put it to Hon Norman Moore that if the number of FTEs in central and district offices is reduced by 170, and at the same time the number of district officers is reduced by almost 50 per cent and the number of district superintendents by 40 per cent, regardless of which language we are talking and how we view the matter, those reductions are reductions. They are certainly not an increase and must, therefore, be a decrease.

Hon N.F. Moore: The money they cost is going somewhere else in the system, and there has been an increase in the overall Education vote ever since we have been in government.

Hon LJILJANNA RAVLICH: If there have been such substantial increases, I have no idea why the teachers of this State are constantly complaining about the lack of resources in schools.

Hon N.F. Moore: They have been complaining ever since they have been teachers. I know that because I used to be one of them.

Hon LJILJANNA RAVLICH: I was also one of them. These cuts come at a time when there are substantial reductions in spending on professional development. I refer, for example, to the multi-age grouping project which grouped primary students to year 2 in the same class in 26 schools across this State between 1994 and 1996. This project was required to be administered within existing resources, with little or no allowance made for the preparation of teachers to take on this initiative. I am concerned the work that will be devolved to schools from the Curriculum Council may go down the same line, whereby the work will be devolved but no additional resources will be provided. Hon Norman Moore has said that is not the case, and I have clearly given him an example of where this has occurred recently. This information has been obtained by me in response to a question on notice. I am also advised that in

some schools teachers are teaching across a number of age groups in one class without any special preparation to do so. This is of some concern. As an ex-social studies teacher with the task of teaching a number of levels within the one age group, I can remember the problems I had trying to target my teaching and the curriculum to meet the individual needs of 30 students in a class.

Hon N.F. Moore: Have you ever been to a country school?

Hon LJILJANNA RAVLICH: I have been a deputy principal in a country school.

Hon N.F. Moore: You will therefore know that multigrade classes are common.

Hon LJILJANNA RAVLICH: I know about the vast disadvantages inherent in multi-age grouping and the difficulties that occur in trying to do too much with too little, which is fundamental given what we are talking about. I find it hard to comprehend how teachers can teach a number of year groups with a wide range of abilities in each age group. Therefore, I am particularly keen to find out how much funding has been earmarked specifically for the professional development of teachers, who will have the enormous task of implementing the curriculum framework. I warn the Government that, without adequate professional development of teaching staff, very little will be achieved as a result of this framework. The education reform process can be implemented only if initiatives like the curriculum framework are embraced by the State's educators. It will be like many other policy initiatives in the Education Department: There is a flurry of excitement because it is an initiative, a few press releases are sent out and the Minister might get a photograph in the newspaper and some coverage, but, beyond that, little substance follows.

I now turn to the issue of civics education and the Curriculum Council's role. I understand that an important component of the interim curriculum council's work has been the review of the state school curriculum with a view to emphasising the teaching of social and civic responsibility. The new framework will emphasise values and civics as an integral part of the curriculum. It will also emphasise participation, citizenship, community diversity, reconciliation, social justice, responsibility and freedom. While I support this initiative in principle, I have some reservations. For example, what values will be taught? Who will decide what those values should be? Will they be the values of, for example, the federal member for Oxley, Pauline Hanson?

Hon N.F. Moore: I can assure you she will not be on the Curriculum Council, nor will you.

Hon LJILJANNA RAVLICH: These questions must all be addressed.

Hon N.F. Moore: She is one person who will not be on the council; you are the second and I am the third.

Hon LJILJANNA RAVLICH: As I remember from the Estimates Committees, the Leader already has me earmarked to take over from Elle Macpherson in running the Elle campaign. There is a limit to my ability!

Hon N.F. Moore: You were suggesting a way of saving money.

Hon Tom Stephens: You would be a good substitute for Elle.

Hon Derrick Tomlinson: And all who sail in her!

Hon LJILJANNA RAVLICH: I thank Hon Tom Stephens.

Another concern relates to the definition of civics education. In recent times, civics education has been reported in the media as the teaching of morals. If that is the case, one must ask whether it is the role of the education system to teach such things. If it is, will anything be left for families, churches, the community and so on to impart?

I also have some concern about the resources implications in the delivery of civics education. I asked a question in the Estimates Committee about drugs education. The response was that we can teach drugs education, but it was not very clear how it would be taught or how much time would be spent on it. Is it a separate subject or is it glossed over in the form room? These are the questions people will also be asking in relation to civics education. Will civics education be a separate subject? Will the curriculum be specifically written for civics studies? How will it be taught? Will it be part of the form room process or a subject assessable at the end of the term or the year? Will some subjects be removed from the school curriculum to make way for civics education or will it be loaded on top of everything else?

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

Hon LJILJANNA RAVLICH: I referred earlier to the resources implications of the teaching of civic education in Western Australian schools. I expressed some concern about whether it would be a discrete unit or passed over quickly in a form room situation. If it is to be a discrete unit, will some subjects be removed from the existing

curricula to make way for civics education? If so, it would be of enormous interest to many people to know which subjects will be removed from the existing curricula. If nothing will be removed from the existing school curricula, will civics be placed on top of what is already being taught?

What additional resources will be provided to schools specifically to equip them for the teaching of civics education and will teachers receive professional development, not on the curriculum framework model itself, but the specific part of the framework dealing with the teaching of civics education? All these issues need to be addressed. Otherwise, principals and teachers will become even more cynical as they will consider that they are being asked to add even more to the ever increasing curriculum basket.

I turn now to the relevance of the curricula to students with special need. Those include students in isolated areas, students from non-English speaking backgrounds who may have English as their second language, Aboriginal students, gifted students and those with learning difficulties. They are all students with requirements over and above what we call ordinary educational needs.

A key challenge for the Curriculum Council is to ensure that the curricula is relevant to the specific needs of this diverse group. All too often we see a mismatch between the curricula and the educational requirements of children. One need only visit a school anywhere in the State to see how apparent the mismatch often is. In any classroom in any school in this State academically able students can be found with behaviour problems because they are bored. Also, we see students with learning difficulties who seek attention in the classroom through a variety of means because they are not receiving the assistance they require - that is, they are asked to cope with curricula which are simply too difficult for them.

Isolated students are restricted in the range of curricula they can access, and often they do not have access to quality resources. This applies particularly to the students in the more isolated parts of the State. When I was a school administrator, I was floored by the disparity between the resources in metropolitan and regional schools. School computers, for example, seemed to be fairly plentiful in some metropolitan schools. I remember being posted to Morawa Agricultural District High School as the deputy principal to find two computers provided for approximately 500 students.

Less is known about one disadvantaged group of students as Governments have abrogated their responsibilities to Aboriginal students in remote Aboriginal communities. From my experience, the curricula for these students is often outdated, does not match their requirements and is of little relevance. I draw that conclusion from my experience in my first year as an Aboriginal education teacher in Norseman in 1980. I taught in a team teaching arrangement in a multi-aged class of 35 students aged between 10 and 17 years. Many of the students had not completed formal primary education, so their abilities varied greatly. Some students in that class were not capable of reading and writing.

The students were predominantly from the communities of Cundeelee and Warburton and were brought to school daily from the Church of Christ mission, which was about 14 kilometres from Norseman. It must have been a shock for those students to attend Norseman District High School, because it was a shock for me to attend Norseman District High School. I will always remember my entry to that school, because I arrived in the town, walked into the middle of the quadrangle, and asked somebody where the high school was! I am pleased to say that I have not had the same problem in working out where I am in this place.

Having arrived at that school with no formal training in Aboriginal education, I quickly discovered that virtually no curriculum was available for the special needs of those students. My two teaching colleagues and I were left to cope as best we could with no direction from anywhere. The way we coped was to develop curriculum on the run. We taught students a subject that was known as cultural journalism in the mornings, which basically involved the teaching of basic English and a bit of science and basic mathematics. In the afternoons, the boys and the girls were separated. The girls were assigned to tasks such as cooking, and sewing on brand new Bernina sewing machines, while the boys were taught how to mow lawns, use rotary hoes, fix motorbikes, and the like.

That situation was clearly unacceptable. The irrelevance of the curriculum was highlighted to me on a trip that I took to Cundeelee during one of the holiday breaks, when it became very apparent that there were no ovens, no Bernina sewing machines, no lawnmowers and no rotary hoes. That was a bit of a shock for me, and it highlighted how irrelevant the curriculum was and what an almost waste of time it was to teach those students how to use these things when that was not applicable to their everyday lives.

Special provisions should be made for Aboriginal students in remote communities so that their education is relevant. Aboriginal students have special needs and cannot simply be viewed as an add-on to mainstream education. Furthermore, the teachers of those students need to be adequately trained so that they understand how to deal with students within the context of their culture. For example, I spent the first three months of my education career in

Norseman as an Aboriginal education teacher, and I consistently said to students, "When I talk to you, look at me." Any-one who knows anything about Aboriginal culture knows that it is the height of rudeness for Aboriginal children to look a person straight in the eye.

Hon Derrick Tomlinson: It is also regarded as magic, because the soul is behind the eyes, and if you stare at the spirit, you tap the spirit. Therefore, it is not merely impolite but dangerous.

Hon LJILJANNA RAVLICH: I thank Hon Derrick Tomlinson for that comment.

This group of students is in great need of a specialist curriculum and of teachers with a respect for and understanding of traditional Aboriginal culture. It is not good enough that these students are often left to make do with the curriculum that is available, irrespective of its relevance. I am keen to see the Curriculum Council address this important issue so that resources are directed to this area of need.

I am also keen to see that children with special needs, be they isolated students, Aboriginal students, students from non-English speaking backgrounds, students with disabilities, or academically advanced students, are not disadvantaged in any way, shape or form by the establishment of this Curriculum Council. I am even more keen to see that those students are somewhat advantaged by the existence of that council.

I have grave concerns about this legislation. One of those concerns is the lack of representation on the Curriculum Council of the State School Teachers Union. Under the provisions of this Bill, the Minister can consult with the SSTU but is under no obligation to appoint a representative from that organisation to the council. Given that the SSTU represents approximately 15 000 teachers in this State, that is a weakness in this legislation. Likewise, the Minister is under no obligation to appoint a representative from a parents' organisation. That is another weakness of this legislation. We will move some amendments to deal with that matter.

The Government should give the following undertakings with regard to this Bill: That schools will not be financially disadvantaged and will not be asked to pay more for curriculum services or materials than they are paying currently; that costs associated with the accreditation of courses or curricula will not be passed on to schools, as this has the potential to cause disadvantage; that adequate funding will be made available for professional development of teachers to implement the curriculum framework; that the workload of teachers will not be increased as a result of the implementation of the new curriculum framework, and if that is increased, that teachers will be remunerated accordingly; that there will be widespread consultation with schools and their communities about civics education to address what values will be taught in Western Australian schools; that consideration will be given to how best to teach civics education in our schools; that civics education will be adequately resourced if it does become part of the school curriculum; that the curriculum framework will address the issue of curriculum relevance, particularly as it applies to students with special needs; and that resources will be allocated to the professional development of teachers with responsibility for teaching students with special needs.

We support the thrust of this Bill, but we will move some amendments. I commend this Bill to the House.

HON DERRICK TOMLINSON (East Metropolitan) [4.47 pm]: It is not my wont to speak on legislation, being a humble government backbencher, but given the significance and importance of this legislation, I feel moved to respond to some of the matters raised by Hon Ljiljanna Ravlich. This is significant legislation because it will take control of curriculum for Western Australian schools out of the hands of the Education Department and the universities and transfer that responsibility to a body which will have no vested interest in the management of schools or the management of children within schools. I advocated that strongly in 1974 when the Board of Secondary Education, which preceded the Secondary Education Authority, was responsible for the assessment and certification of students and courses but had no control over curriculum. I regarded that as a serious shortcoming in the management of curriculum in schools in Western Australia.

Another matter that was of concern then, and is also of concern now, but is addressed in this Bill, is that because curriculum was managed by the Education Department for years 1-10 and was dominated by the requirements of the universities for matriculation for years 11 and 12, curriculum tended to focus upon the needs of government schools. More than 25 per cent of our students are in the non-government sector. We will have with the Curriculum Council an agency which is responsible for the curriculum framework across the government and non-government sectors.

Hon Ljiljanna Ravlich raised a significant education issue which has bedevilled schooling for at least a century; that is, the question of teachers teaching to a test or, as some would put it, the tail wagging the dog. The outcome for that cognitive knowledge and skill which can be measured in a single one-off test dictates what is taught in schools. It is a very serious problem. However, I cannot agree with the Hon Ljiljanna Ravlich that because the focus of the curriculum for which the Curriculum Council will be responsible is on student outcomes, it will perpetuate the problem of the tail wagging the dog.

I find student outcomes rather entertaining. Hon Ljiljanna Ravlich talked about the curriculum being determined not by educational inputs but rather by educational outcomes. As a statement of educational purpose I see no problem with student behavioural outcomes being a statement of the objectives of schooling or curriculum. All curricula contain either stated or implied objectives which are statements of expectations of the learning that children or students will demonstrate at the end of a given period of instruction.

When I was a bright eyed and bushy tailed young man, new to the teaching profession, I can recall the English curriculum - I was an English teacher - having as its objective to inculcate and foster a love of literature in the child; in other words, at the end of their schooling or instruction in English, children were to love literature. I recall my first class of 15 year olds whom I taught for two years, and my objective to inculcate and foster a love of literature. Those whose knuckles did not drag along the ground hung from the trees. I taught these students dead poets, dead playwrights and dead novelists to try to inculcate a love of literature. Within five years I traced my success with these 15 year olds to see how much they loved literature. One was in Fremantle Prison, where he was serving time for having held up a garage when armed with a pistol.

Hon Simon O'Brien: They threw the book at him, did they?

Hon DERRICK TOMLINSON: That probably was the love of literature that was inculcated in him! Another had unfortunately written himself off in a motor vehicle accident. A third had similarly come to an unfortunate end when he drove a motor vehicle over a bridge. Another was involved in an unfortunate incident in which his brother shot one of his friends up in a tree. The friend fell down dead.

Hon Ken Travers: It sounds like a Shakespearean tragedy.

Hon DERRICK TOMLINSON: Indeed, the stuff of Shakespearean tragedy. I must have succeeded!

All the girls were pregnant within three years. I do not know whether any of them were married. If not inculcating and fostering a love of literature, they were certainly perpetuating their kind.

Hon Bob Thomas: Which town was it?

Hon DERRICK TOMLINSON: I hesitate to suggest that it might have been in whichever part of Western Australia.

The student outcomes to which Hon Ljiljanna Ravlich referred are not that prescriptive set of objectives; neither are they expressed in terms of the flowery nonsense which were the objectives of the curriculum which I faced as a young, inexperienced, green teacher. They were what was once called a set of behavioural objectives. They do not embrace merely knowledge and skills - the cognitive domain is what Benjamin Bloom used to call it; they also embrace attitudes and values - the affective domain I think the same gentleman would have described them as. They include physical or, as it were, psychomotor attributes of the child. Each educational outcome embraces that range of behaviours - intellectual, behavioural attitudes and values, and affective; each is described in terms of the levels of the development of the child. Originally they were determined across 12 levels. They were designed as student behaviours for each of the chronological years of schooling. Rather than having a single statement of objectives, the statement of the objectives became a volume.

I must confess that I am rather bemused that Hon Ljiljanna Ravlich is not familiar with the student outcomes, because the first attempts at student outcome statements were made seven years ago; in fact, the student outcome statements were derived from the national outcomes of the late 1980s. They have been around in schools in one forum or another for seven years. Hon Ljiljanna Ravlich has more recent experience in schools than I.

Hon Ljiljanna Ravlich: I have not taught for seven years.

Hon DERRICK TOMLINSON: I have not taught for 70 years! Hon Ljiljanna Ravlich has not taught for seven years but her experience is still more recent than mine. She is unfamiliar with student outcomes as they are being developed and as they are central to the Curriculum Council. Perhaps I should not be bemused, because I think Hon Ljiljanna Ravlich reflects the lack of information about student outcomes that is displayed by all teachers in our schools. For that reason I respond positively to the request by Hon Ljiljanna Ravlich that when this curriculum framework progresses there be adequate resources for teacher education or, as it were, the professional development of teachers. It is correct that the allocation of resources for professional development in our state education system is inadequate and has been inadequate for at least a decade.

We now have a generation of change in educational philosophy and practice which is contained in a curriculum framework based upon a student outcomes philosophy. That will require a change in the knowledge and practice of the teachers who will be responsible for the implementation of curriculum in our schools. That change in knowledge, behaviour and professional skills and competence will require massive - I use that word advisedly - programs for

professional development of teachers, otherwise this whole attempt to shift the educational philosophy of our schools to student outcomes will be doomed to fail because of the professional incompetence of teachers to cope with it.

[Debate adjourned, pursuant to Standing Order No 61(b).]

ADJOURNMENT OF THE HOUSE - ORDINARY

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [5.00 pm]: I move -

That the House do now adjourn.

Adjournment Debate - Transport - Economic Considerations

HON J.A. SCOTT (South Metropolitan) [5.00 pm]: Considerable time has been spent on previous adjournment debates on the transport situation as it applies to places like Mandurah which are on the edge of the public transport spectrum in this State. One factor that has been mentioned is the cost of providing services to those areas and the economic considerations involved. An interesting article was written by John Whitelegg. It originally appeared in *The Guardian* and was reprinted in the *Sydney Morning Herald* on 3 August 1993. It contrasts the relative costs of private car use as opposed to public transport. The article is entitled "Do something outrageous: drive a car today" and states -

> The private car is an environmental, fiscal and social disaster which would not pass any value-for-money test, according to a German report.
>
> Researchers at the respected Environment and Forecasting Institute in Heidelberg take a medium-sized car and assume it is driven for 13,000 kilometres a year for 10 years to compute its financial, environmental and health impacts "from cradle to grave".
>
> Long before the car has got to the showroom, they find it has produced significant amounts of damage to air, water and land ecosystems through the extraction of raw materials alone.
>
> We're not even on the road yet and this one car has produced 26.5 tonnes of waste and 922 cubic metres of polluted air.
>
> In 10 years, this one car (with a three-way catalytic converter and using 10 litres of unleaded petrol for every 100 kilometres) will produce 44.3 tonnes of carbon dioxide, 4.8 kilograms of sulphur dioxide, 46.8 kg of nitrogen dioxide, 325 kg of carbon monoxide and 36 kg of hydrocarbons.
>
> It will pump another 1,000-odd cubic metres of polluted air into the atmosphere and will strew the roadside with 18 kilograms of worn bits of road surface and tyre and brake debris.
>
> The environmental impact continues beyond the end of the car's useful life. Disposal of the vehicle produces a further 102 million cubic metres of polluted air and quantities of PCBs and hydrocarbons. In total each car produces 59.7 tonnes of carbon dioxide, 2.04 billion cubic metres of polluted air and 26.5 tonnes of rubbish.
>
> While this detail is impressive (and wholly absent from the environmental claims of motor vehicle manufacturers and motoring organisations), it is still not complete.
>
> Some of the more startling revelations are in the researchers' wider analysis of social and environmental costs.
>
> Germany suffers from extensive forest damage attributed to acid rain and vehicle exhaust emissions. The researchers calculate that each car in its lifetime is responsible for three dead trees and 30 "sick" trees.
>
> They illustrate the German experience with road traffic accidents: each car, they say, over its lifetime is responsible for 820 hours of life lost through a road traffic accident fatality and 2,800 hours of life damaged by a road traffic accident.
>
> Statistically, they suggest, one person in every 100 be killed in a road traffic accident and two out of every three injured.
>
> Land-use data are also brought into the equation to show that Germany's cars, if one includes driving and parking requirements, commandeer 3,700 square kilometres of land - 60 per cent more than is allocated to housing. Every German car is responsible for 200 square metres of tarmac and concrete.
>
> The total impact of the car over all the stages of its life cycle also produces a quantifiable financial cost. The Heidelberg researchers estimate this to be 6,000 Deutsche-marks (about $A5,220) a year per car,

covering the external costs of all forms of pollution, accidents and noise after income from all sources of vehicle and fuel taxation are taken into account.

This is a State subsidy equivalent to giving each car user a free pass for the whole year for all public transport, a new bike every five years and 15,000 kilometres of first-class rail travel.

That is worth considering when one is looking at how expensive a bus trip might be from Mandurah to Perth. I hope the Minister for Transport takes note of it.

Question put and passed.

House adjourned at 5.06 pm

QUESTIONS ON NOTICE

MINISTERIAL OFFICES - STAFF

Statistics

130. Hon MARK NEVILL to the Minister for Transport:

(1) What staff were employed in or attached to the office(s) of the Minister at Tuesday, 4 March 1997?

(2) What were the total salary costs of these staff?

(3) What was the financial cost to the State of the employment of these staff?

(4) What were the titles, roles and duties of these staff and what public service (or equivalent) classifications did they carry?

(5) Under what programs were they employed?

Hon E.J. CHARLTON replied:

(1),(4)

Chief of Staff	L8
Principal Policy Adviser	L8
Principal Policy Adviser	L8
Principal Policy Adviser	L8
Consultant	L8
Media Adviser	L6
Executive Officer	L5
Appointments Secretary	L3
Liaison Officer	L3
Personal Secretary	L3
Administrative Assistant	L2
Correspondence Officer	L2

(2),(3) Total salary costs for the above staff (from 01.07.96 to 06.03.97) are $410 960. Employment cost for the above staff (from 01.07.96 to 06.03/97) are $501 267.*

* Cost of employment is comprised of salary, superannuation, private plated vehicles, fringe benefits tax and telephone recoups.

The officers' functions and duties are to provide support to the Minister in the performance of his ministerial duties.

(5) The staff are employed by the Ministry of the Premier and Cabinet under Program 2, State Administration.

RAILWAYS - GERALDTON

Batavia Tickets - Charges

170. Hon KIM CHANCE to the Minister for Transport:

(1) Is the Minister aware that the firm Batavia Sales which has taken over the function of bookings for Westrail, now the Westrail Geraldton Booking Office has been closed, is charging a $2 booking fee and a $5 cancellation fee?

(2) Is the Minister aware that pensioners in the Geraldton area are angry with the surcharge?

(3) Why has the Government allowed these additional charges to be levied on the people of Geraldton wishing to access these Government services?

Hon E.J. CHARLTON replied:

(1) I am aware that the company Batavia Tickets charges such fees. Westrail currently pays its ticketing agents $1.00 for each ticket prepared up to the value of $6.70 (including free travel tickets). For tickets over the value $6.70, a commission of 15% is paid. No payment is provided to ticketing agents for the cost of handling cancellations.

(2) All concerns are being monitored.

(3) Such charges have been raised by commercial organisations undertaking Westrail ticketing functions for a number of years. The process of outsourcing the sale of Westrail tickets has identified costs previously absorbed by Westrail which cannot be absorbed by the private sector.

GOVERNMENT CONTRACTS - PRISONS

Pay Phone Equipment

385. Hon TOM STEPHENS to the Minister for Justice:

(1) How many contracts have been awarded for the supply, installation and maintenance of prison pay phone equipment in prisons and juvenile detention centres since February 1993?

(2) Who has been awarded this or these contracts?

(3) What were the respective value or values of this or these contracts?

(4) What -

(a) savings; or
(b) additional costs,

have resulted from the provision of each of these services by private contractors instead of by Government?

(5) What mechanisms are in place to monitor the performance of private contractors instead of by Government?

Hon PETER FOSS replied:

(1) One (1).

(2) Telstra.

(3) Nil.

(4) (a) This is an enhanced service. Some telephone rental costs saved.
(b) Not applicable.

(5) Contracts that are awarded require goods and/or services to be delivered within defined time frames, at specific locations, at agreed prices, for specific purposes, and where necessary reports on contract outcomes are requested by contract completion date. A Contract Manager is normally defined and this person is responsible for monitoring the contractors performance/standard of goods delivered, and for incurring costs associated with contract performance.

ENVIRONMENT - ALAN TINGAY & ASSOCIATES

Conflict of Interest

493. Hon J.A. SCOTT to the Leader of the House representing the Minister for Resources Development:

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

(2) Does the Government consider this to be appropriate and is it satisfied there is no conflict of interest in the use of Mr Alan Tingay, or his company, in assessing vital projects from which that company can benefit?

Hon N.F. MOORE replied:

(1) Yes.

(2) Alan Tingay and Associates is a reputable environmental consulting firm advising on a range of environmental matters. I do not consider there to be a conflict of interest as the assessment is not carried out by Alan Tingay. Rather it is to be done by the EPA and any resulting approval would be granted by the Minister for the Environment.

QUESTIONS WITHOUT NOTICE

TOURISM - ELLE RACING

Contract - Monitoring

492. Hon TOM STEPHENS to the Minister for Tourism:

Throughout the Elle yacht saga the Minister informed the House that the performance of Elle Racing Pty Ltd's contract was being constantly monitored.

(1) Who carried out the monitoring?

(2) What form did it take?

(3) Was the Minister kept informed about the performance of Elle Racing?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) The monitoring has been carried out by the executives appointed by the Western Australian Tourism Commission to monitor this contract in consultation with the Crown Solicitor's Office. On occasions expert advice has been sought from other parties to supplement this process.

(2) The monitoring has taken the form of assessing Elle Racing's delivery on the provisions of the contract in accordance with the terms and conditions specified in the contract.

(3) Yes.

LEGAL AID - FUNDING

Commonwealth Cuts

493. Hon HELEN HODGSON to the Attorney General:

I refer to my question without notice of 11 June 1997 regarding a reduction in commonwealth government funding to the Western Australian Legal Aid Commission.

(1) What information has the Attorney General received from the Commonwealth regarding those reductions?

(2) By how much will the funding be cut?

(3) When did the Attorney General receive the information from the Commonwealth about the amount of the reduction in funding?

(4) Has the Attorney General entered into an agreement with, or been made an offer by, the Commonwealth Government to minimise those reductions?

(5) If so, what are the details of that agreement or offer?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) The Commonwealth has mentioned figures as high as $9.8m as a reduction. Negotiations have reduced considerably the amount of reduction being discussed.

(2) The final figure is still not known, but our views are being formed on what the final figure will be.

(3) Between 15 October 1996 and 11 June 1997.

(4)-(5) Negotiations with the Commonwealth are continuing.

POLICE - GERALDTON

Vacant Positions

494. Hon KIM CHANCE to the Attorney General representing the Minister for Police:

(1) Can the Minister confirm that there are 10 positions waiting to be filled in the Geraldton police district?

(2) For how long has each position been vacant?

(3) What action is he taking to ensure that the Geraldton police district is quickly brought back to its full strength?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1)-(2) All positions in the Geraldton police district have now been filled.

(3) The Geraldton police district is at full strength and will be maintained at full strength.

GLOBAL DANCE FOUNDATION - INCORPORATION

Crown Solicitor's Advice

495. Hon TOM STEPHENS to the Minister for Tourism:

I refer to the answer to my question without notice 453 of 10 June in which the Attorney stated that the Crown Solicitor had advised or warned its client, the Western Australian Tourism Commission, not to sign the agreement with Global Dance Foundation until the Crown Solicitor or the Tourism Commission was satisfied that Global Dance had been incorporated.

(1) Does the Tourism Commission agree it received this advice?

(2) If yes, why did the Tourism Commission sign the agreement with Global Dance on 25 May 1995, contrary to the advice, when Global Dance was not incorporated until 1 June 1995?

(3) If no, will the Minister assure the House that the Tourism Commission will instruct the Crown Solicitor to make files relating to this matter in the Crown Solicitor's possession available to the Legislative Assembly's Public Accounts and Expenditure Review Committee to enable it to fully investigate this matter?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) Yes.

(2) Mr Reynolds and the solicitor representing the Global Dance Foundation, who were the signatories for the foundation, were present at execution with the common seal. As a result of earlier meetings, the Tourism Commission was of the understanding that the Global Dance Foundation was undertaking all the processes and the presence of the foundation's solicitor and the use of the common seal of the execution led the Tourism Commission to believe that the Global Dance Foundation had been incorporated.

(3) Not applicable.

PAWNBROKERS - STOLEN GOODS

Purchase

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

(1) Are there any penalties under the Act for pawnbrokers who fail to identify people considered as worthy of suspicion or as persons of interest?

(2) What mechanisms are in place to assess whether pawnbrokers are knowingly purchasing stolen goods?

(3) Is there any system in place to review the nature of transactions that involve a large gap between purchase price and sale price to ascertain whether there is some correlation between these transactions and stolen goods?

The PRESIDENT: Order! I did not hear part one of that question entirely. I do not know whether it is seeking an opinion. No doubt the Attorney General has a copy of the question.

Hon PETER FOSS replied:

(1) Section 78 of the Pawnbrokers and Second-hand Dealers Act provides a penalty of $2 000 for any licensee who fails to notify the Western Australia Police Service of suspicions in regard to goods which are in his or her possession or have been offered for sale or pawn. Case law stipulates that the suspicion must be towards the property and not the person.

(2) If evidence shows that a licensee is knowingly purchasing stolen goods then he will be charged with receiving under section 414 of the Criminal Code and, after successful prosecution, an application will be made to revoke his licence on the grounds of not being a fit and proper person to hold such a licence. Persons interviewed regarding transactions are questioned on whether the store staff were made aware that the goods were unlawfully obtained. If information is received stating that a store is knowingly accepting stolen goods, then an extensive investigation is conducted to establish a prima facie case. These are difficult offences to prove and usually involve a large effort in terms of time and resources.

(3) Purchase and sale price are scrutinised by the dealers' squad. Throughout the industry most goods are usually purchased at between 10 and 20 per cent of their current market value. Goods are usually sold after a mark-up of approximately 200 to 300 per cent, which covers administrative costs and provides a satisfactory profit margin. Goods offered for pawn normally receive a loan based upon 20 to 30 per cent of the value of the goods. This percentage increases with regular customers who consistently redeem goods as the profit margin is established upon the interest paid on the loan. Redemptions are currently at approximately 85 per cent of all pawned goods. Transactions are monitored regularly to identify any stores that are providing incentives to offenders to trade stolen goods through their businesses. Regular visits to stores are also conducted and people are questioned regarding any anomalies.

ADOPTIONS - GAINS AND PAINS IN ADOPTION CONFERENCE

Funding

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

(1) What amount of money or in kind resources did the Government contribute to the Gains and Pains in Adoption Conference held on 6 and 7 June?

(2) Who or what organisation received the grant?

(3) On what basis was the decision made to contribute to the conference?

(4) Why were relinquishing parents and adoptee organisations not offered similar grants?

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question.

(1) A financial contribution was requested and $1 000 was subsequently paid by Family and Children's Services. Information on the Family Information and Adoption Service was available to conference participants. The issues paper for the adoption legislative review was also available.

(2) Adoptive Families Association of Western Australia Inc. This association was one of the three organisations which convened the conference.

(3) The financial contribution was made at the request of the conveners. It provided the opportunity for interstate and overseas presenters to be accessed by the adoption community and departmental staff.

(4) The conference was attended by representatives of all sides of the adoption triangle and by members of all the adoption interest groups in Western Australia. If a similar approach for funds to a conference organised by adoptees and/or relinquishing parents was made, consideration would be given to the request, as it was for this conference.

LABOUR RELATIONS LEGISLATION AMENDMENT BILL - PROCLAMATION

498. Hon HELEN HODGSON to the Attorney General representing the Minister for Labour Relations:

I refer to the Labour Relations Legislation Amendment Bill 1997.

(1) Has a date been set for the proclamation of the provisions of parts 3, 5 and 10 and sections 34, 35(b), 36 and 37 of the Act?

(2) If so, what is that date?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) No.

(2) Not applicable.

GLOBAL DANCE FOUNDATION - INCORPORATION

Agreement with WA Tourism Commission

499. Hon TOM STEPHENS to the Minister for Tourism.

I refer to the Global Dance Foundation agreement of 25 May 1995.

(1) Did the Western Australian Tourism Commission believe Global Dance was an incorporated association when the WATC signed the agreement?

(2) If yes, did it believe so because Mr Peter Reynolds had signed the agreement as Chairman of GDF Incorporated and a common seal of the name of GDF Incorporated had been affixed to the agreement adjacent to Mr Reynold's signature?

Hon N.F. MOORE replied:

(1) Yes.

(2) Yes. As a result of earlier meetings, the Western Australian Tourism Commission was of the understanding that Global Dance Foundation was undertaking all the processes, and the presence of the foundation's solicitor and the use of the common seal at the execution, led WATC to believe that GDF had been incorporated.

JUSTICES OF THE PEACE - MENTAL HEALTH ACT

Role

500. Hon J.A. COWDELL to the Minister representing the Minister for Health.

(1) Does a justice of the peace have any role under the Mental Health Act 1986?

(2) If yes, what is that role?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) No.

(2) Not applicable.

I refer the member to the Attorney General, who will probably not want the question now.

ABORIGINAL ART - DUMBARTUNG ABORIGINAL ARTISTS ADVISORY COMMITTEE

Funding

501. Hon TOM STEPHENS to the Minister for the Arts.

With regard to the decision to reject a funding application from the Dumbartung Aboriginal Artists Advisory Committee and given that one of the stated reasons for that rejection was the lack of effectiveness of the organisation in entering into regional cultural agreements, I ask -

(1) What, if any, consultative process was undertaken with Aboriginal organisations or individuals to ascertain the effectiveness of the Dumbartung agency in regional areas?

(2) Was this decision made solely on the basis of the perceived effectiveness of the organisation, or were there other considerations?

(3) If there were other considerations, what were they?

Hon PETER FOSS replied:

(1)-(3) This matter has been under consideration for three years and one of the Government's concerns over those years was the effectiveness and accountability of the Dumbartung organisation. The Government instigated a full inquiry of the organisation with the full cooperation of Dumbartung. Aboriginal people were involved in that examination. Part of the reason for it was complaints from Aboriginal people that it had become a solely Noongar organisation, while it was being funded on the basis of being a statewide organisation. The

Government received many complaints from Aboriginal people and other organisations which pointed out that they had a far broader approach to the arts.

One the biggest problems was proper accounting for where the money went. It was difficult to get a demonstrated response to what they were doing for Aboriginal people. A lot of money was being spent on administration but not a great deal was funding art projects. It was clear that they were not spending much of their money on the broad range of Dumbartung activities.

There are explicit accountability requirements under the contracts the Government enters into with any arts organisation and it is clear that Dumbartung was not discharging its responsibilities in that regard. The amount of time that was given to that organisation to demonstrate that it was spending the grant money on what was intended was considerably in excess of what would probably have been given to any other arts organisation.

MINING - JANGARDUP MINESITE

Revegetation

502. Hon J.A. SCOTT to the Minister for Mines.

I apologise for not giving notice of this question, but it relates to two statements the Minister has made which I would like clarified. On Wednesday, 26 June 1996 the Minister said in relation to an excision of an area for the Jangardup mineral sands mine -

> Thirdly, the ministerial conditions arising from the environmental assessment would also be laid before both Houses, including conditions that Nelson locations 13471, 13472, 13473, 13474, 7226 and 12897 be revegetated to acceptable native vegetation standards which will allow those locations to be incorporated in the D'Entrecasteaux National Park at a later date.

Then, in a question I asked in this place on Tuesday, 10 June, about why the Minister has reduced Cable Sand's commitment to revegetate all of Nelson location 12897, given that the original Reserves Bill 1995 required that all of Nelson location 12897 was to be rehabilitated except for native vegetation standards, the Minister answered in part -

> The original Reserves Bill relating to Jangardup south did not refer to any commitments to revegetate any land. I was clarifying an earlier statement I made to Parliament about the Government's original commitment regarding matters arising from an environmental assessment of any future mining proposal for the area.

Will the Minister inform the House whether it is the Government's intention to revegetate that area to acceptable native vegetation standards and, if so, who will be paying for that revegetation?

Hon N.F. MOORE replied:

I hope the member forgives me when I ask that that question, which relates to a range of issues, be placed on notice.

PASTORAL LEASES - NORTH KIMBERLEY

503. Hon TOM STEPHENS to the Minister representing the Minister for Lands.

(1) Have any additional lands been granted by way of pastoral lease or grazing licence in the north Kimberley area, in areas in the vicinity of the Mitchell Plateau, since February 1993?

(2) If yes, what areas of land have been granted to which pastoral leaseholder?

(3) Have additional lands been granted to Drysdale River or Doongan pastoral lease holders?

Hon MAX EVANS replied:.

I thank the member for some notice of this question.

(1) Yes.

(2) In 1995, 125 374 hectares were granted under pastoral lease to Sunlight Holdings Pty Ltd as an addition to Drysdale River station.

(3) To my knowledge no additional leases have been granted on behalf of Doongan station.

RAILWAYS - PASSENGER SERVICE

Number of Trips

504. Hon KIM CHANCE to the Minister for Transport.

How many trips were recorded for Perth's passenger rail service in the years -

(1) 1993-94?

(2) 1994-95?

(3) 1995-96?

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question.

(1) 230 520.

(2) 231 020.

(3) 231 562.

ARTS AND CULTURE - BUNBURY ENTERTAINMENT CENTRE

Funding

505. Hon J.A. COWDELL to the Minister for the Arts.

(1) Will the Minister confirm that he rejected a request from a delegation from Bunbury seeking assistance with funding to meet the ongoing costs of the Bunbury Entertainment Centre?

(2) Given the level of support that the State Government provides to a number of Perth cultural facilities, including the Perth Theatre Trust, can the Minister explain why this major regional centre did not receive assistance?

Hon PETER FOSS replied:

(1) I confirm I met with the delegation from Bunbury and that I did not agree to provide funding to meet the ongoing costs of the Bunbury Entertainment Centre.

(2) The policy of the Government, and indeed of the previous Labor Government, is that facilities such as the Bunbury Entertainment Centre are the operational responsibility of the local government authority. In cases such as Bunbury, and most recently Mandurah, the State Government has assisted with capital works funding where the facility is beyond the means of the local authority.

A limited number of venues in metropolitan Perth are operated through the Perth Theatre Trust on the basis that they cannot be identified as the responsibility of any one local authority. I indicated to the group that these funds would in time become available for bid by a wide range of bodies but they accepted that their capacity to compete for them was limited.

I have asked Arts WA to examine the funding arrangements for regional cultural facilities.

LIQUOR - LICENSING ACT

Amendment

506. Hon TOM STEPHENS to the Minister for Racing and Gaming.

In reference to the Minister's answer to my question without notice on 9 April regarding the amendments to the Liquor Licensing Act, in which he stated that the first draft of the legislation was nearly complete -

(1) When does the Minister anticipate amendments to the Liquor Licensing Act will be introduced?

(2) Why has there been a delay in the introduction of amendments?

Hon MAX EVANS replied:

(1)-(2) The amendments have been fairly comprehensive. Initially, when the draft went to Cabinet for approval, in all innocence I did not place any priority on them, and they were left on the bottom of the list. At one

stage I hoped the amendments would be introduced in the other House before the end of this session. This follows the report I tabled in Parliament, and only a couple of small changes have been made since then. I hope the amendments will be introduced in the other House before the end of June.

HOSPITALS - WANNEROO

Audit Requirements

507. Hon KEN TRAVERS to the Minister representing the Minister for Health:

(1) Can the Minister explain why the financial statements and financial indicators for the Wanneroo Hospital were not submitted for audit until 1 May 1997?

(2) When did the Minister first become aware that the financial statements and performance indicators would not be submitted by the required date?

(3) What action, if any, has the Minister taken to ensure that the Wanneroo Hospital complies with its statutory requirements?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) Wanneroo Hospital was officially closed on 31 May 1996. Business advisers, Arthur Andersen, were employed to finalise the accounts and performance indicators as at 31 May 1996. This was completed and submitted to the Office of the Auditor General at the end of the year. After some time the Office of the Auditor General advised that Wanneroo Hospital had not been formally removed from the FAAA schedule and as such was still a statutory authority for reporting purposes. It was then arranged that a revised set of financial statements would be prepared to take in the extra month to 30 June 1996 even though there was no further trading. Due to an oversight the statements were not relodged until 1 May 1997.

(2) The Minister became aware of this concern when he received the Auditor General's report.

(3) At the time of preparing the accounts as at the end of May 1996 it was believed that all statutory obligations had been undertaken.

Twice monthly a report of opinions by the Auditor General is handed to the President. I introduced that process some years ago because accounts seemed to be coming in late. Nowhere within the departments or at the Office of the Auditor General could anyone find out whether a set of accounts had been finished. One day in this place the Minister for the Arts tabled a report on the Perth Theatre Trust, with 1992 stamped on the cover but inside was the 1991 report. The report was a year behind, and no-one knew the reason for it. In this case, it appears to be more a technical problem between the 31 May close-off and 30 June.

ROADS - MEEKATHARRA SHIRE

Repairs

508. Hon TOM STEPHENS to the Minister for Transport:

(1) Is the Minister aware of recent reports that Agriculture Western Australia has argued that property owners in the Meekatharra Shire are losing money and business because road damage is yet to be repaired?

(2) Has the Minister or officers of his department had discussions with the Meekatharra Shire Council to expedite the repair of rain damaged roads?

(3) If not, why not?

(4) If so, what measures are to be taken to repair the roads?

(5) When will repairs commence?

(6) When will they be finalised?

Hon E.J. CHARLTON replied:

(1)-(6) The flood damage at Meekatharra was more severe than in many other regions of the State. Immediate works are agreed to by Main Roads Western Australia and funding is provided for the local shire to proceed forthwith to ensure that roads are open for use. When allocating funding for flood damage repairs the local government authority, in conjunction with Main Roads, carries out an assessment of the works and arrives

at a cost. Without that requirement, many areas suffering flood damage would request repairs and it would be a case of first in first served. That would result in an unequitable situation. That explains the requirement for that assessment and costing.

I have discussed the problem with the shire. After some consultation with me, the member for Ningaloo has compiled and provided a comprehensive assessment of the work that needs to be carried out on behalf of the shires.

Hon Tom Stephens: Three upper House Labor members also represent that area.

Hon E.J. CHARLTON: I do not know whether they go to the area any more!

Hon Tom Stephens: Not as often as they would like.

Hon E.J. CHARLTON: I understand that one of them spends most of his time in Perth these days!

The PRESIDENT: Order! If the Minister directed his answer to the Chair there would be no need for the interjections!

Hon E.J. CHARLTON: An outline of the required works has been received. When I met with the shire we acknowledged the problems and we had a good discussion. I understood that the shire was satisfied with the process. However, I will double check and let the member know about the funding as soon as possible.

TRANSPORT - LICENSING

Non-metropolitan Agents South of 26th Parallel

509. Hon J.A. COWDELL to the Minister for Transport:

Yesterday in a statement to Parliament the Minister indicated that licensing agencies in many small towns in Western Australia would be closed.

(1) Will the Minister table the list of the 162 agents currently providing licensing services to country towns below the 26th parallel?

(2) Which of those agencies fall within the announced formula for closures?

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question.

(1)-(2) Yes. It is extremely important for the member and other members to completely understand the process. I would not want the member to be misinformed and inadvertently have the local government authorities and the community - particularly around Mandurah and the south west - believe that their services would be reduced -

Hon Kim Chance: By a cruel and uncaring Government!

Hon E.J. CHARLTON: By a cruel and uncaring Minister for Transport who acts without consultation and makes changes on the run! The changes are significant. In the past, people approached a shire employee to have the paperwork done on a renewal of licence - or any of the 300 various transactions previously undertaken. That required the employee to bundle up all the paperwork and send it on. Many mistakes were made in the recording process, such as the incorrect definition of a vehicle or the name of the person applying for a renewal of a driver's licence. The information was sent by mail, and rerecorded by the licensing centre, whether in Perth or Bunbury. We have a responsibility to meet our commitment to other States to provide an accurate database. We want all transactions on-line to the central computer. The system will be changed from the current manual system written out and assessed by individuals, and we will train identified people in the regions who demonstrate in the expressions of interest going out over the next few months how they can replace work conducted manually at shire offices or police stations. The process will go on-line. In addition, about 20 Australia Post facilities are in the regions, but this process will increase the number of those facilities though use of the on-line system.

I appeal to the member to ensure that he is satisfied that he has all the information on this matter before commenting. If he then thinks a problem still exists, I would appreciate it if he would point it out to me, in his usual articulate way, before misleading the people of Western Australia. I seek leave to table the document.

Leave granted. [See paper No 500.]

ROADS - FREMANTLE

Bypass - Traffic Reduction in City of Fremantle

510. Hon J.A. SCOTT to the Minister for Transport:

Some notice of this question has been given.

(1) Given that the Fremantle eastern bypass will have limited exit and entry points from High Street to Rollinson Road, on what basis does Main Roads claim that the bypass will improve public transport access to the City of Fremantle?

(2) Given that the Fremantle eastern bypass will run through the middle of the Fremantle suburb of White Gum Valley, on what basis does Main Roads continue to assert that the road will reduce traffic on Fremantle roads?

(3) Will the Fremantle eastern bypass result in an increase in vehicle noise and pollution levels experienced be residents of White Gum Valley?

Hon E.J. CHARLTON replied:

(1) The removal of traffic from local roads will provide opportunities for the re-allocation of road space on these roads, allowing higher priorities to be given to public transport services. The bypass will provide a safer and quicker route, resulting in better travel times.

(2) One of the benefits of the bypass is to remove traffic from local roads in the Fremantle area because it will provide a quicker and safer alternative route.

(3) Overall traffic noise and pollution will be reduced as traffic currently using local roads will be able to use a high standard, free flowing route designed for the purpose. Any impact on the White Gum Valley area will be addressed during the detailed design phase, and appropriate measures will be adopted to manage these impacts. This will be done in consultation with the local community.

That last part of the answer is a very important. The decision already made about the alignment of the bypass and other aspects is only half the story; the other half is the consultation to occur on how we will build the bypass, the types of barriers to be erected for noise reduction and other such considerations. That process needs full consultation. We have demonstrated in recent times a commitment to fully consult people on these matters. As the member knows, we will go through a process shortly to reactivate that consultation, and absolute consultation will continue even once the project starts in a couple of years' time as people will still have concerns about design matters and so on. That consultation will take place.