



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

THIRTY-FIFTH PARLIAMENT  
FIRST SESSION  
1998

LEGISLATIVE COUNCIL

Wednesday, 10 June 1998

# Legislative Council

Wednesday, 10 June 1998

**THE PRESIDENT** (Hon George Cash) took the Chair at 4.00 pm, and read prayers.

## **BUNBURY HIGHWAY TRAFFIC ACCIDENTS**

### *Petition*

Hon Simon O'Brien presented the following petition bearing the signatures of 452 persons -

To the Honourable the President and members of the Legislative Council in Parliament assembled.

We the under signed residents of Western Australia oppose the potential for serious road traffic accidents at the Bunbury Highway junctions with the approaches to townships of Singleton, Golden Bay, Madora and Secret Harbour.

Your petitioners therefore humbly pray that the Legislative Council will take steps to alleviate the circumstances which have resulted in this hazardous situation.

And your petitioners as in duty bound, will ever pray.

[See paper No 1673.]

### **PETITION**

#### *Point of Order*

Hon TOM STEPHENS: I seek your guidance, Mr President, not just for my benefit, but for that of other members who may find themselves in the same situation I am in. Yesterday I sought leave to table a petition containing 10 294 signatures. On that occasion, leave was denied me by the House on one voice.

Hon N.F. Moore: Because it didn't conform to standing orders.

Hon TOM STEPHENS: Leave having been denied, I hope that either now or at some occasion this evening, or in the next little while, Mr President, you can advise me of a process that may be open to me that will enable this petition to be presented to the House. Given that leave has been denied on one occasion, it could effectively prevent me from seeking leave yet again. I do not seek an explanation or advice now. However, if an avenue is available to me to present this petition in reference to the nurses' issue, on behalf of the 10 294 signatories, I would like to know that avenue, even though the petition may not strictly conform with the requirements of the standing orders of this place.

The PRESIDENT: Order! I will not address the point of order at this stage; in fact, it is more seeking clarification of procedure. The Leader of the Opposition is not entitled to seek leave again in respect of the same document, and I think he acknowledged that in his comments. I am not aware of the content of the petition, only that I understand it does not conform with the standing orders. I am happy to meet the member at some stage during today, initially, to find out the issues raised in the petition and, then, to come back to him with some suggestions on how the matter might be handled.

## **"AUSTRALIA STATE PREMIERS: VALUES IN STRATEGY ASSESSMENT"**

### *Tabling and Statement by Leader of the House*

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [4.07 pm]: I table a document, requested under motion No 2 on today's Notice Paper, entitled "Australia State Premiers: Values in Strategy Assessment", prepared by the Wirthlin Group, and seek leave to make a short ministerial statement in connection with it.

Leave granted.

Hon N.F. MOORE: I am very pleased to table a piece of research which was commissioned by all Premiers as part of their plan to strengthen the Federation. The research forms part of a suite of initiatives to inform Premiers and Chief Ministers in their efforts to strengthen the Federation. These began from a meeting of Premiers and Chief Ministers in Melbourne on 25 November 1994. This was one of the leaders' forums in which Premiers and Chief Ministers meet, without the Prime Minister, to discuss issues significant to all Australians. They met in Melbourne as part of an ongoing process, to discuss a range of issues relating to improved government within the Australian Federation. Premiers and Chief Ministers agreed to cooperate on a number of initiatives in a manner which will lead to a national approach, while maintaining the ability to respond to local needs. They have continued to meet on a

regular basis to agree on ways to make the system of competitive federalism work to improve the lives of all Australians.

The Premiers and Chief Ministers decided to commission various pieces of work for the purpose of redefining the Federation and finding ways to make the federal system work better. The Wirthlin report was one of the reports commissioned. The findings and recommendations of the various reports have not been formally endorsed by governments. However, five reports were released in the interest of promoting public discussion on important issues relating to federalism, including the roles and responsibilities of the various levels of government, vertical fiscal imbalance and federal institutions.

The Wirthlin report, which consists of values research on the Australian Federation, was commissioned by only the States - not the Territories. The report was not released due to its size and the exploratory nature of the research. Moreover, the technique used in the Wirthlin report is open to criticism and the findings can be interpreted in many ways. The Wirthlin report suggests that the preservation of democracy through federalism remains important to Australians; that the States are important as they are seen as closer to problems than is the Commonwealth Government; and that community views of service delivery areas - health, education and the environment - are important when considering ways of strengthening the Federation.

However, commissioning the report has formed just one element of the ongoing efforts of the Premiers and Chief Ministers to improve the working of the Federation. Their recent efforts have emphasised the central importance of tax reform in overcoming the unnecessary vertical fiscal imbalance in the Australian Federation.

[See paper No 1674.]

## **OCCUPATIONAL SAFETY AND HEALTH REGULATIONS 1996 FOR PRIMARY INDUSTRY**

### *Review - Amendment to Motion*

Resumed from 28 May on the following motion -

That the Occupational Safety and Health Regulations 1996 for primary industry be reviewed with the intention of developing and implementing a code of practice.

To which the following amendment was moved -

That all words after "That" in the first line of the motion be deleted and the following words be inserted -

the primary industry sector be encouraged to develop an industry code of practice for approval by the Minister for Labour Relations under section 57 of the Occupational Safety and Health Act 1984 to enhance and support compliance with the duty of care provisions of that Act and the Occupational Safety and Health Regulations 1996.

### *Adjournment of Debate*

**HON BOB THOMAS** (South West) [4.10 pm]: I move -

That the debate be adjourned to the next sitting.

Question put and a division taken with the following result -

#### Ayes (10)

Hon Kim Chance  
Hon Cheryl Davenport  
Hon E.R.J. Dermer

Hon N.D. Griffiths  
Hon John Halden  
Hon Mark Nevill

Hon Ljiljana Ravlich  
Hon Tom Stephens

Hon Ken Travers  
Hon Bob Thomas (*Teller*)

#### Noes (19)

Hon E.J. Charlton  
Hon M.J. Criddle  
Hon B.K. Donaldson  
Hon Max Evans  
Hon Peter Foss

Hon Ray Halligan  
Hon Helen Hodgson  
Hon Barry House  
Hon Norm Kelly  
Hon Murray Montgomery

Hon N.F. Moore  
Hon Simon O'Brien  
Hon J.A. Scott  
Hon Christine Sharp  
Hon Greg Smith

Hon W.N. Stretch  
Hon Derrick Tomlinson  
Hon Giz Watson  
Hon Muriel Patterson  
(*Teller*)

---

#### Pairs

Hon J.A. Cowdell  
Hon Tom Helm

Hon M.D. Nixon  
Hon B.M. Scott

Question thus negatived.

*Debate Resumed*

**HON B.K. DONALDSON** (Agricultural) [4.15 pm]: I welcome the opportunity to contribute to this debate in a mature way. This is a serious situation. No-one in this House who has been either an employer or an employee would take the issue of safety in the workplace lightly. I listened to Hon Tom Helm, Hon Ljiljanna Ravlich and Hon Kim Chance, and we are not at odds in what we are trying to achieve - although they may be taking a different path from that which Hon Murray Criddle advanced in his motion, to which an amendment was moved later by Hon Tom Helm.

A couple of points came to mind when Hon Tom Helm commented that a big stick approach was not the way to go with occupational health and safety issues. It has been demonstrated over the years that we all have a responsibility, whether employer or employee. Hon Ljiljanna Ravlich said that few people would understand the regulations, and that is true. They are a complex and broad brush approach to the issue of safety in the workplace. As we go through life many of us realise that it is difficult to legislate in a broad brush manner, because people will always be scooped up by that broad brush approach who really do not fit into the parameters set. That is true of life.

The primary industry sector is unique - and I include fishing, pearling and so on, but I will get to those industries shortly. Farms and pastoral properties are difficult to regulate as enclosed workplaces. Whether one has 40, 400 or 4 000 hectares or even 4 000 square kilometres, as with some pastoral stations, it is a vast workplace that is hard to supervise. The employer can train and instruct his employees, but they are their own bosses when they drive out onto the property. A number of regulations have been applied by this broad brush approach, and Hon Kim Chance mentioned the regulation requiring people to cover or empty large water containers left unattended in the workplace overnight. He went on to say that this regulation would encompass every tank, stock trough and possibly farm dam.

In addition, farming technology has changed dramatically resulting in the increased use of large plant and equipment. That equipment is manufactured with safety shields and covers that are supposed to eliminate the possibility of an employee or employer getting his or her finger caught in chains, etc. Without being too disrespectful to the manufacturers, I will use headers as an example. Most farmers strip the covers off in the first two hours. Although the covers keep people from getting near the chain and any moving parts - if they were stupid enough not to turn the machine off before they did some maintenance - they cause the build up of straw and fine wheat dust. That results in friction and if a bearing becomes overheated fire will occur. Therefore, what we see every harvest - and Hon Murray Criddle would see this a lot in the Geraldton-Northampton area, which is a prime area with very good crops, and with plenty of straw, chaff and wheat dust - is that many farmers remove those covers because of the risk of fire. The farm machinery manufacturers have started to recognise this difficulty and are now changing the construction of their machines to allow some of that chaff and straw to fall through to the paddock.

During the many years that I was farming, I employed both permanent and casual staff. My properties were 310 miles, or 500 kilometres, apart, and it was very difficult for me to be on the spot all the time. If farmers are required to be on the spot all the time, they might as well do the work themselves. On many large farming and pastoral properties, it is not possible for farmers to provide the supervised workplace that is required by many of the occupational safety and health regulations. Therefore, they must rely heavily on the commonsense of the people whom they employ, and ensure that they instruct those people on how to use the necessary equipment safely.

Three years ago, the Western Australian Farmers Federation began to draw up a code of practice. That has not been an easy exercise, and the coalition rural committee is disappointed that after three years, although a number of drafts have been prepared, that code of practice has not been developed. Brett McCallum from the Western Australian Fishing Industry Council has told me that it took WAFIC about three years and cost it a lot of money to develop a code of practice for the fishing industry. It is not an easy task, and I am pleased that the Farmers Federation is continuing to work on that matter.

A review of the Occupational Safety and Health Act has been conducted, and people who wanted to make submissions had to do so by the end of February this year. A submission has been given to the Minister for his consideration, and some changes may be made to that Act to meet the requirements of today. Last year, the Minister gave members of the coalition a briefing on the regulations, and I believe the Minister recognised that a number of the regulations do not fit into the overall picture of occupational safety and health in the primary industry sector.

The last thing farmers want to see is an accident on their properties, not only because it causes pain and suffering for the person who is injured, but also because it creates downtime, which makes it difficult for the farmer, particularly if it is during a busy period, to complete his seeding or harvesting in the required time.

However, one problem is that farmers are finding it increasingly difficult to attract employees. People want certainty and security of tenure in their employment, and many people are finding that the farming sector is not an attractive long term proposition unless they can get a job as a manager of a property. One reason is the fluctuations in

commodity prices, which have led to some farmers not being in a position to employ staff full time. Another reason is that modern technology has replaced the need for a number of people to do a job. A farmer can now use one large piece of equipment to do in one day the work that used to be done by three people on three small tractors.

It is interesting that Western Australian farmers have been relying increasingly on New Zealanders, many of whom are the sons of farmers. Those New Zealanders are excellent workers, and they usually have a reasonable degree of experience and adapt very quickly to Australian conditions. In 1977 I employed a New Zealand chap as a casual employee to assist me and a permanent employee at seeding time. He rang me up at harvest time and asked whether he could come back, and I said yes. In the meantime, the other chap wanted to move on, so I kept this guy on. He managed my farm for about five years, and he has been with me for over 15 years and married in Western Australia. In the last few years when he was managing my property and I was not around, I left it to him to employ casual labour, and I found when I went back that they all had New Zealand accents, because one of the criteria was that they had to be from New Zealand. I did not mind that, because they are very good workers.

The fact that there is no longevity on farming and pastoral properties creates its own problems. One farmer told me recently that he had employed a young fellow, but because it had not rained for a while, they had been doing odd jobs. His wife had asked him to get this young fellow to take the front end loader to the stables where the horses were kept and to get a bucketful of horse manure so that she could put it on the garden, but this young fellow told him that he was not employed to shovel - I will not use the word, Mr President, because it is probably improper for me to use it, but I will leave it to your imagination - and he left. That farmer had been instructing that young fellow on all the safety requirements of the machinery on that farm, yet this young chap got up and left. The farmer then had to get in someone else and start the whole process again.

I have always believed that while the employer has a duty of care, the employee must also have a duty of care. We sometimes forget that each person must be responsible for his own actions. That responsibility has been taken away from a lot of our society. We tend to focus on what others should provide for somebody rather than on the responsibility that exists with each and every one of us. It is all very well to have rights but what always goes with rights is responsibility. The rights that an employee would properly expect include being instructed on the proper use of the machinery he must use. To paraphrase Glen Jakovich, he should be instructed on how to spot the hazard and make the alternative necessary arrangements to ensure that the hazard does not become an area where someone can be hurt in an accident.

During my time in local government one of my concerns was the insurance arrangements for workers' compensation. A pooling arrangement existed in those days. Although the local government sector in the metropolitan area had a greater number of employees, the ratio of claims experienced was about 70 per cent in the metropolitan area and 30 per cent in the country areas. As the premium was based on a pooling arrangement, no rewards were given for providing a safe workplace and no penalties for not providing one. It was inequitable. I was delighted to be part of the changing of the guard and delighted when the previous Parliament passed legislation that allowed local government an actuarial basis so that the premiums were based on experience. This has led to rewards for local authorities which are diligent and responsible in ensuring a very safe workplace.

I was one of several members who had an opportunity last year to be in Norway as guests of Helgeland Plast, which is a large conglomerate of companies. It manufactures concrete, and has one of the biggest polythene pipe plants in Norway, and is involved in the oil and gas industry. Helgeland Plast manufactures the polycircle cages or sea pens for the growing of salmon. It is exporting that technology right around the world. We visited its sites. Its people have the ability to run a PVC pipe for over a kilometre. They float it right out into the fiord. I have never seen PVC pipe that long with a diameter of possibly 18 inches. We were looking very closely at this. It was most interesting to see that in the enclosed workplaces, with some very highly sophisticated technology involved, we saw no yellow lines marked on the site, as we would see in our workplaces. We saw men wearing thongs or runners near concrete being poured for huge floating docks. The docks are used in the fish farming industry for storing foodstuffs. They also contain living quarters and backup generation. They float these great concrete blocks, which are polythene packed as well. They are about three storeys high with two storeys under the water. We were shuddering looking at these men with all this happening around them. We would not see this in Western Australia with our very strict workplace arrangements. I asked one person, "What is your accident rate?" He said, "Have a good look at the gate on the way out." I think they had gone something like 460 days without an accident. This is in a company with five or six large divisions all in a row on that site.

Hon M.J. Criddle: Did they have an education process?

Hon B.K. DONALDSON: Yes, but the employees were honouring their own responsibilities. They respected their jobs and the machines. They wore all the necessary glasses and put on hard hats when they had to, but nothing was designated. There were no yellow lines which we would not dare cross over. We were looking at some of the welding of the polythene, which is most interesting to see. Its strength is excellent. We were able to crowd around

to watch. There are very few workshops in Western Australia where we could do that. There is usually a door with a sign on reading "No admittance other than staff". They were quite casual but quite responsible about it. What a difference there was. There was a good relationship between the employers and employees in their particular roles. We spoke among ourselves later and said that we would probably have 150 regulations and 500 signs up to highlight what was and what was not necessary, yet their safety record was as good as any.

I have not added up the number of people whom I have employed during my life. I can remember having only one claim on workers' compensation. I am not too sure whether it was the result of a farm accident or of playing football on the Saturday. I never did ask. The employee was off for only two or three days. That is a pretty good record over about 36 years. The work did not involve a single employee but up to half a dozen at any one time in different places. It is important that we have staff who respect responsibility and recognise that they have a responsibility to ensure their own safety.

I did not say at the start of my comments that I am against Hon Tom Helm's amendment, but I foreshadow at this stage that I will be moving an amendment to the amendment. I have a copy of it, but I will not move it just yet. It is not at odds with the amendment moved by Hon Tom Helm and supported by other speakers. Having had discussions with the Minister and having taken into account what Hon Tom Helm and Hon Kim Chance spoke about, my amendment will bring in a procedure where some of the regulations will not pertain to this type of workplace. Hon Tom Helm supports compliance with the duty of care provisions of the Occupational Safety and Health Act and the Occupational Safety and Health Regulations. Hon Murray Criddle mentioned that a number of regulations affecting the primary industry sector would no longer be required once a code of practice was developed to which the Minister would give a tick. Hon Murray Criddle was alluding to the fact that there would then be the necessary repeal of regulations that were no longer required.

Let us consider some of the accidents that happen on farms. *The West Australian* of 18 September 1997 has an article by George Boylen about the causes of farm accidents - not fatalities. The article is headed "Motorcycles biggest farm risk: survey" and states -

Motorcycles have been identified as the biggest cause of farm accidents in a national survey of rural producers.

Two-wheel bikes are ahead of livestock and tractors, which are the biggest causes of accidental farm deaths.

I was most interested to see that reference to livestock. The article refers to the biggest cause of farm accidents. Two-wheel motor bikes are ahead of livestock in that listing. I hope people have read their "Farm Safe" booklet because it says clearly that if two bulls are tearing at one another, it suggests that the employee not stand between them. In the last two or three years, the stock must have grown a little, Hon Murray Criddle, as livestock is becoming a real hazard on the farm.

The majority of farm accidents, about 20 per cent, are caused by the two-wheel motor cycles, with four-wheel motorcycles causing about 7.5 per cent of accidents. Tractors account for about 10 per cent of accidents, power take-off implements represent about 5 per cent, harvesters about 1½ or 2 per cent, hay equipment about the same level; augers about 3 per cent; and livestock was responsible for 21 per cent of farm accidents. When I think back to the number of times I was hit by sheep or rams coming up the race, they hit pretty hard and sometimes brought a tear to the eye. It is not very pleasant; I have had a few bruised knuckles when sheep have hit me.

Accidents in workshops accounted for over 5 per cent of the total, with wire and fencing representing about 1 per cent. That occurs when people are careless when cutting a tight wire as it can fly back in the face. Chainsaws accounted for 1½ or 2 per cent of all accidents, and other vehicles were listed at about 2½ per cent. Interestingly, only 1 per cent of the total were back injuries caused by lifting. Shearing shed accidents represented about 1½ or 2 per cent of the total, and all other types of accidents in the report accounted for 5 per cent.

This information was contained in a report on farm machinery safety released by the Kondinin Group, an independent rural research and publishing organisation. It identified Western Australian farmers as having the nation's worst farm safety record. It said that two-thirds of all child fatalities at workplaces occurred on farms. It showed that agriculture is among the highest risk group for occupational illness and injury. The article reads -

Kondinin agricultural engineer Andrew Green said that almost 30 per cent of the 589 accidents reported by the 1 379 farmers who took part in the survey involved motorcycles.

Children and visitors had the greatest number of accidents on the bikes. Most could be attributed to inexperience or foolish behaviour or machines unsuited to the physique, skills and coordination of the rider, Mr Green said.

I can remember we had a small trail bike on my property. One of my sons would put a four gallon drum alongside

the bike, and my daughter, who at that stage was aged about six or seven years, was able to get on the bike. She learnt to ride the motorbike. It was not a powerful one; I would not have let her ride such a bike. A farm has plenty of open space, and it stands young people in good stead when they start to drive or ride bikes early.

Hon M.J. Criddle: Statistics show that it is the best way to teach people. The earlier they learn to drive, the better.

Hon B.K. DONALDSON: It is interesting. I am pleased that the member has confirmed my view. Rather than roar around in their first vehicle, young people can learn to drive on the farm for a few years. When I first got my driver's licence, I was aged 17 years and just home from school. The policeman said I need not come in for a test. He said, "I have seen you drive around Koorda for the past two years. I have seen you drive to the pictures and sport when home from school. I have seen you drive the truck. If your father thinks you're good enough, I'll give you your licence." He tested my eyes and I got my licence. I have been involved in one small accident and I have driven one and half or two million kilometres. I hope it continues. Maybe I was 10 years of age when I started to drive.

Hon E.J. Charlton: It shows how many other good drivers are on the road.

Hon B.K. DONALDSON: The Minister may have hit the nail on the head.

Hon Murray Montgomery: Things have changed since that time.

Hon B.K. DONALDSON: That is correct. Not many young persons have the opportunity these days to learn to drive on a farm as many of us did in earlier days.

Tractors accounted for about 40 per cent of farm fatalities, with the most serious accidents occurring when a tractor rolled, crushing the operator beneath it or against a fence. Most tractors have roll bars these days. Seldom on broadacre farms, unless something stupid was done, would a tractor roll over today. In the hilly areas closer to the coastal plain, one finds small hills, rocks and depressions. The smaller tractors were previously open cab with no rollover bars, and most accidents occurred with such vehicles. I am pleased that over the years, such accidents have been eliminated with changes to the regulations regarding tractors. Some of the smaller properties have found other ways to carry out tasks using contractors. It is cheaper to do so than having the plant in the shed.

Responsibility is involved. The report refers to carrying a passenger on a mudguard or standing on the back of a tractor. Those days are probably gone.

[Quorum formed.]

Hon B.K. DONALDSON: I did not realise that I was driving most members out of the House; I am sure they were on urgent parliamentary business.

Hon Muriel Patterson: Only those opposite.

Hon B.K. DONALDSON: Members opposite obviously do not worry about farmers or pastoralists.

This is a very responsible document put out by the highly regarded Kondinin Group. Regarding mudguards, it states -

"The old guards were unsafe and farmers who did not replace them are putting themselves at needless risk,"  
...

It also states that new power take-off shaft guards are safe, but worn ones were a different story. Augers accounted for nearly 4 per cent of accidents. It further reads -

Twenty-five per cent of the survey respondents had a farm accident in the year to June 30 1996. WA had the worst record with a 29 per cent accident rate among the survey farmers and Victoria the best with 19 per cent.

Mr Green said accidents often involved relatives, friends and people visiting the property.

A conscientious effort has been, and always will be, made by all concerned in the primary and pastoral industries to improve this record. We are led to understand that the Pastoralists and Graziers Association is currently developing a code of practice.

I have three documents: The Safety and Health Code for the native forest hardwood logging and plantation logging, the Occupational Health and Safety Code for the Commercial Fishing Industry in Western Australia and the Pearl Diving Industry Code of Practice. The roles and responsibilities of both the employer and the employee are covered within hundreds of pages. The commercial fishing industry is like the farming sector; it covers a large area out to sea plus the operations onshore. In many cases, the deckies and people working on the boat are separated from the skipper who is up on the fly bridge - skippers who work close to reef areas must keep a close eye on the prevailing

conditions. I compliment the Western Australian Fishing Industry Council for the way in which it established the code. The preamble of the document states -

The Duties of Employers are:

General duty:

Employers must, so far as is reasonably practicable provide and maintain a working environment where employees are not exposed to hazards.

The General duty includes:

- Safe systems of work
- Information, instruction, training and supervision
- Consultation and cooperation
- Personal protection
- Safe plant and substances
- Reporting of accidents

The duties of employees are also clearly outlined. It goes on to say -

Employees must take reasonable care for their own safety and health at work and avoid harming the safety and health of other people.

The General duty includes:

- Following health and safety instructions
- Using personal protective clothing and equipment

That means when clothing or equipment is provided, employees should actually use it.

Taking good care of equipment

This usually minimises hazards.

Reporting hazards

That is, reporting to the employer those matters which could be hazards in the workplace.

Reporting work-related injuries or harm to health

Cooperating with employers so that employers are able to carry out their duties under the Act.

The code looks at the many issues that pertain to the conditions in which people on vessels find themselves. It also refers to alcohol and other drug use while in the workplace. People tend to forget that it is not the duty of the employer to ensure the employee is not taking drugs. That person is independent, usually over the age of 18 and is responsible for his actions.

Hon Peter Foss: It is often controversial if one seeks to interfere.

Hon B.K. DONALDSON: Cases have arisen in relation to this matter and that is the real concern. The document states -

No drugs, other than prescription medicines and first aid items will be carried or used on board any fishing vessels.

When a member of the crew is likely to be an increased risk to safety, due to alcohol or other drugs, that crew member can be refused entry to the vessel.

No crew member will arrive for work, or in the course of their work be under the influence of any alcohol or drug substance so as to affect their ability to work in a safe manner.

When in the opinion of the skipper a crew member is an increased risk to safety while at sea, the skipper should remove that person from the fishing process until that crew member is able to work without increased risk to safety.



Refusal of entry onto the vessel must be based on the assessment of that crew member's ability to do the job he/she has been engaged to do.

#### TRAINING REQUIREMENTS

Specific short courses dealing with selected health and safety topics may be developed by industry and made available to industry.

I remind members of section 57 of the Occupational Safety and Health Act 1984 which states -

- (1) For the purpose of providing practical guidance to employers, self-employed persons, employees, and other persons on whom a duty is imposed under Part III of this Act, the Minister may, upon the recommendation of the Commission, approve any code of practice.
- (2) A code of practice may consist of any code, standard, rule, specification or provision relating to occupational safety or health that is prepared by the Commission or any other body and may incorporate by reference any other such document either as it is in force at the time the code of practice is approved or as it may from time to time thereafter be amended.

When Hon Tom Helm moved his amendment, he said -

the primary industry sector be encouraged to develop an industry code of practice for approval by the Hon Minister for Labour Relations under section 57 of the Occupational Safety and Health Act 1984 . . .

He was referring to the section of the Act that gives credence to that code of practice. I foreshadowed earlier that I would move an amendment. It does not detract from the amendment moved by Hon Tom Helm on the original motion moved by Hon Murray Criddle, nor from the support given by Hon Kim Chance and Hon Ljiljanna Ravlich. I want to tidy it up a little.

Hon Ljiljanna Ravlich: I find that hard to believe.

Hon B.K. DONALDSON: Certain people would trust me.

Hon Max Evans: I would.

Hon B.K. DONALDSON: I thank the Minister for Finance. I have one supporter. I did not hear a rush of voices from my own side.

#### *Amendment on the Amendment*

Hon B.K. DONALDSON: I move -

- (1) To delete "develop" in line 1 and substitute "complete".
- (2) To delete the words "under section 57" in line 2 and substitute "meeting the objects contained in section 5".
- (3) To delete all words after "1984" in line 3 and substitute "A review of regulations be undertaken so as to repeal those no longer required for compliance which currently cover the primary industry sector."

I could provide members with many examples of regulations that are nonsense when looking at an unsupervised workplace area, which could extend to 4 000 hectares. The fishing, logging and pearl diving industries have developed their own codes of practice. Inherent conditions still apply. No member wants to lessen the requirement to provide a safe workplace, not only for employees, but also for employers. However, some of the regulations do not comply. One would never utilise those regulations because they do not fit into the broad pattern that has been established.

Hon Ken Travers: It is like the hotel industry and the smoking regulations.

Hon B.K. DONALDSON: That is nonsense too. We shall debate that at another time. I have debated that in the House previously - an enclosed workplace is rather stupid.

Hon Ken Travers: You don't support the Minister for Labour Relation's amendments?

Hon B.K. DONALDSON: I have not detracted from the support given to Hon Tom Helm for his amendment. Although I am speaking against it, I am not speaking against it in total.

Hon Tom Stephens: You are just speaking.

Hon B.K. DONALDSON: This is a very serious subject. I am now short of time.

The PRESIDENT: Order! Hon Bruce Donaldson is dead right; his time is very short. It being 5.00 pm I am required to interrupt this debate for questions on notice.

In its present form we will need to discuss the wording of the amendment to the amendment. A word or two was changed earlier in the motion before the words "1984". I am sure that was the intention, but we must discuss it. There may be a minute tomorrow to do that.

Debate adjourned, pursuant to standing orders.

**[Questions without notice taken.]**

**SOUTH EAST AND NORTH WEST DISTRICTS OMNIBUS No 3 METROPOLITAN REGION  
SCHEME AMENDMENT**

*Statement by Attorney General*

**HON PETER FOSS** (East Metropolitan - Attorney General) [5.32 pm]: The south east districts omnibus No 3 metropolitan region scheme amendment proposes 26 changes to land in the cities of South Perth, Belmont, Canning, Gosnells and Armadale, the Town of Victoria Park and the Shire of Serpentine-Jarrahdale. The changes are at the request of landholders, local governments and state government agencies and involve mainly adjustments to parks and recreation reservations, boundary changes and rezoning. Twenty-three submissions were received during the three month advertising period and modifications to the amendment have been made, including deletion of some planned changes.

The north west districts omnibus No 3 amendment proposes 32 changes to the metropolitan region scheme in the cities of Stirling and Wanneroo. Initial major proposals included transferring 163 hectares of land at Neerabup, four lots at Yanchep and three lots at Trigg from rural or urban to parks and recreation to add to national park or foreshore reserves.

It also involves changing the parks and recreation reserve to the urban zone for North Beach Primary School and the adjacent Star Swamp to recognise existing uses and for vesting purposes and changing part of Sun City Country Club at Yanchep from urban to private recreation to allow residential land development on land no longer needed for private recreation purposes.

Other changes include giving land no longer required along Mitchell Freeway over to the parks and recreation reserve and urban zone as well as minor corrections to the Mitchell Freeway and Reid Highway reservations.

There were 148 submissions during the advertising period, concentrating on the reservation of three lots at Trigg and four lots at Yanchep. The Yanchep proposal has since been removed from the amendment.

The south east districts omnibus No 3 and north west districts omnibus No 3 amendments are before Parliament for 12 sitting days.

I commend the amendments to the House.

**REAL ESTATE AND BUSINESS AGENTS AMENDMENT BILL**

*Report*

Report of Committee adopted.

**BIRTHS, DEATHS AND MARRIAGES REGISTRATION BILL**

*Report*

Report of Committee adopted.

**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) [5.36 pm]: I move -

That the Bill be now read a second time.

This Bill seeks to implement the taxation rate changes announced in the 1998-99 Budget by amending the Land Tax Act 1976 and the Stamp Act 1921. The balance of the budget taxation measures are contained in the Revenue Laws Amendment (Assessment) Bill. As has been the usual practice with revenue laws legislation, both Bills are accompanied by an explanatory memorandum to provide members with more detailed information on the proposed amendments.

The budget revenue measures contained in this Bill are essential to fund the continued provision of quality services to the Western Australian community. The tax rate changes contained in the Bill will reduce the land tax rates and increase certain stamp duty rates. The increases have been targeted to areas where Western Australia's rates are currently low in comparison to most other States. Members will be aware that the shortcomings in the Commonwealth Grants Commission process are making it increasingly difficult for Western Australia to keep its tax rates below those elsewhere. The Grants Commission has progressively reduced Western Australia's share of grants in recent years, to the extent that our 1998-99 grant will be some \$235m less than if the funding share from five years ago had been maintained. Most of this reduction is a result of Western Australia's strong economic performance and associated higher revenue raising capacity, as the Grants Commission's methodology has the effect of transferring grants from the better performing States to the weaker States. Unfortunately, this methodology makes no allowance for the public infrastructure demands created by a fast growing economy which must of course be funded. The stamp duty measures which I will outline shortly are a direct response to that funding need.

I turn firstly to the proposed land tax changes contained in this Bill. Land tax relief was announced as part of the 1998-99 Budget. The Bill seeks to amend the Land Tax Act 1976 to introduce a new land tax scale to apply from the 1998-99 year of assessment. The new scale is intended to ameliorate the impact on land tax payers of recent sizeable increases in unimproved land values. It has been designed to provide land tax relief to most taxpayers, and especially 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 \$500 000 will be issued an assessment in 1998-99 that is between 9 per cent and 27 per cent lower than that which would apply under the current scale. The reduction will be achieved by lifting the land value thresholds at which the tax rates apply, for all except the lowest value range in the tax scale. If the land tax scale were left unchanged, it is estimated that land tax collections would increase from \$168m in 1997-98 to \$191m in 1998-99, an increase of 14 per cent. The proposed tax scale is expected to raise \$177.5m in 1998-99, thereby limiting growth in collections to around 5.6 per cent. This is significantly less than the estimated overall increase in taxable land values of around 8 per cent.

It is also noteworthy that, under the proposed tax scale, 56 per cent of all taxpayers will receive either a decrease, or no increase, in their land tax bills in 1998-99.

Of the 44 per cent of taxpayers whose land tax bill will increase in 1998-99, more than three-quarters will receive an increase of less than \$20. Furthermore, the proportion of taxpayers facing increases in their tax bills of more than \$100 in 1998-99 will fall from 11 per cent under the current tax scale, to 3.5 per cent under the proposed tax scale. This will be the fifth time since coming to office that the Government has amended the land tax scale to provide land tax relief.

This Bill also seeks to amend the Stamp Act 1921 to -

- increase the stamp duty rates on general insurance and workers' compensation insurance;
- increase the stamp duty rates on property transfers;
- increase nominal stamp duty charges; and
- extend stamp duty concessions that are currently available to certain home buyers and small businesses.

Western Australia currently has the lowest stamp duty rate on policies of general insurance, such as home and contents insurance, of any State. The Bill provides that the stamp duty rate on general insurance policies will be increased from the current 5 per cent of the premium to 8 per cent of the premium. This will bring Western Australia more in line with the other States. It is also proposed that the concessional stamp duty rate on workers' compensation insurance policies be increased by a similar proportion, from the current 3 per cent of the premium to 5 per cent of the premium.

The Bill also includes measures to ensure that the higher rates of stamp duty cannot be avoided by the early cancellation and renewal of an insurance policy. The higher rates will apply to any premium paid after the 30 April budget announcement where the period of insurance commences on or after 1 July 1998. Such premium payments will also be subject to the higher rates where the period of insurance commences after the budget announcement but before 1 July 1998 and where -

the new policy replaces another policy with the same insurer which would have expired on or after 1 July 1998; or

an existing policy of insurance is renewed, and prior to the renewal, that policy would have expired on or after 1 July 1998.

The increase in the effective price of insurance, of around 3 per cent, is considered sufficiently small that it should not discourage people from taking out adequate coverage. Moreover, to the extent that the increases apply to businesses, the extra duty will be income tax deductible. These changes will not affect life insurance, nor will they apply to health insurance, motor vehicle third party insurance, insurance on the transport of goods, or insurance on commercial marine hulls, all of which are either exempt from stamp duty or subject to only a nominal duty.

The proposed increases in stamp duty on general insurance and workers' compensation insurance are estimated to raise additional revenue of \$34m in 1998-99 and \$37m in a full year. As with stamp duty on insurance, stamp duty on transfers of property, primarily land, buildings, mining tenements and business goodwill, is also relatively low in Western Australia compared with most States.

This Bill seeks to increase stamp duty rates on transfers of property by an average of around 12.5 per cent from 1 July 1998. This translates to an increase of around \$410 for property valued at \$140 000 or around 0.3 per cent in the total cost of the property. This is considered unlikely to have a significant effect on property market activity, particularly in the current low interest rate environment. This measure is estimated to raise additional revenue of \$37m in 1998-99 and \$44m in a full year. Nevertheless, to cushion the impact of these measures on lower income earners, the Bill also seeks to increase the existing stamp duty concessions for home buyers and purchasers of a small business.

Specifically, it is proposed that the property value threshold for the first home buyers' rebate of up to \$500 will be increased from \$85 000 to \$135 000, with similar proportional increases in the thresholds for first home land and properties north of the twenty-sixth parallel - to \$52 000 and \$202 500 respectively. In addition, the threshold for the concessional 1.5 per cent rate of duty for all home buyers and purchasers of a small business will be increased from \$85 000 to \$100 000. The concessional rate will be phased out for properties valued between \$100 000 and \$135 000. By way of example, these concessions will mean that a purchaser of a first home valued at \$100 000 will save up to \$900, or nearly 50 per cent, compared with the stamp duty currently payable. The extension of these concessions is estimated to cost an additional \$10m in 1998-99 and \$12m in a full year.

The final stamp duty change proposed in this Bill relates to nominal stamp duty charges. Nominal stamp duty charges in Western Australia have not been increased in nearly 20 years, and therefore have fallen significantly in real terms. In light of this, it is proposed that nominal stamp duty charges be increased from 1 July 1998 as follows -

The general nominal fee will be increased from \$5 to \$20. This will apply, for example, to agreements signed under seal which do not fall under any other head of duty.

The nominal fee for a mortgage sale will be increased from \$10 to \$20.

The nominal fee for duplicates will be increased from \$2 to \$5.

These increases are estimated to raise additional revenue of around \$2m per annum.

In summary, the measures contained in this Bill are a response to the need to fund the provision of quality services to all Western Australians. The imbalance between the expenditure needs of the State, fuelled by strong economic growth, and the failure of existing funding sources, particularly commonwealth grants, to meet that need, has inevitably placed greater reliance on state own source revenues. The only long term solution to this imbalance is a more equitable sharing of revenue raising powers between the Commonwealth and the States, something this Government will continue to vigorously pursue with the Federal Government.

I commend the Bill to the House and for the information of members, I table an associated explanatory memorandum.

[See paper No 1675.]

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) [5.45 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 1998 Budget and a number of other measures designed to improve the equity and efficiency of the state taxation regime. The provisions in this Bill complement the other budget taxation measures contained in the Revenue Laws Amendment (Taxation) Bill.

To assist members in their examination of the proposed amendments contained in the Bill, an accompanying explanatory memorandum has also been prepared. Specifically, this Bill proposes amendments to the Debits Tax Assessment Act, the Debits Tax Act, the Financial Institutions Duty Act, the Fuel Suppliers Licensing and Diesel Subsidies Act, the Land Tax Assessment Act, the Pay-roll Tax Assessment Act, the Rates and Charges (Rebates and Deferments) Act, the Stamp Act, the Taxation (Reciprocal Powers) Act and the Valuation of Land Act.

The Bill is structured into seven parts, the first part of which deals with preliminary matters such as the title and commencement provisions.

Part 2 of the Bill seeks to amend the Fuel Suppliers Licensing and Diesel Subsidies Act to allow the commissioner to determine the record keeping requirements for the holders of off-road diesel user certificates so that their purchase and use of diesel supplied at the off-road diesel subsidised price can be verified; and to rename the Fuel Suppliers Licensing and Diesel Subsidies Act by removing the reference to "Diesel Subsidies".

As members are aware, the Fuel Suppliers Licensing and Diesel Subsidies Act forms part of the safety net measures which arose from a recent decision of the High Court. This case cast doubt on the ability of the States and Territories to impose ad valorem licence fees on businesses wholesaling petroleum, tobacco and alcohol products. The Act supports arrangements which seek to keep diesel fuel prices in this State unchanged as a result of the High Court decision. It is anticipated that payments in the order of \$165m will be made to fuel suppliers and distributors in Western Australia during 1998-99. The Commissioner of State Revenue is charged with administering the scheme and ensuring that payments are made in accordance with the Act.

The Act requires the holders of off-road diesel user certificates who have purchased diesel at the off-road diesel subsidised price to use such diesel in Western Australia, not use such diesel for propelling a road vehicle on a public road, and not supply such diesel to any other person.

The Act currently requires the records to be kept by off-road diesel users to be prescribed by way of regulation. Such prescription has resulted in one generic set of records being prescribed which apply equally to all off-road diesel users regardless of their circumstances or the extent of risk they could pose were they to abuse the scheme. These arrangements have been found to be administratively cumbersome and not sufficiently flexible to cater for the wide variety of off-road diesel users affected by the scheme. The proposed amendments seek to allow the commissioner to take account of an individual off-road diesel user's operations and any existing controls and record keeping arrangements in place, to impose the most efficient record keeping arrangements for that user.

The new arrangements will also permit the commissioner to establish record keeping arrangements for specific industry groups in consultation with the representative bodies of those groups. However, it will still be necessary for all record keeping arrangements to satisfy the commissioner that sufficient substantiation exists to indicate whether diesel purchased at the subsidised price has been used in accordance with the Act. Furthermore, should a user feel that the requirements placed on him by the commissioner are excessive, the proposed changes will allow him to request the Minister to review the appropriateness of those requirements.

In addition, this part seeks to amend the Act to remove the reference to "and Diesel Subsidies" currently contained in the title.

Significant concerns have been expressed, especially by the rural community, that such terminology is misleading in that it fails to convey that such payments are in fact being made to maintain a certain level of total taxation on diesel fuel imposed by the Federal and previously the State Government.

Part 3 of the Bill seeks to amend the Land Tax Assessment Act to implement three changes; namely -

- to phase out the 50 per cent concession applicable to universities, educational bodies and religious bodies in respect of land used or leased out for business, commercial, professional or trade purposes;

- to clarify that only one residential exemption is available for each taxpayer, subject to certain exceptions; and

- to provide legislative support for the inner city living land tax rebate scheme which currently operates under an administrative arrangement.

Turning to the first measure, the Act currently provides an exemption in respect of land owned by, vested in, or held in trust for a university; a bona fide educational institution not carried on for the purpose of private profit or gain; or a religious body, in circumstances when the land is used or reserved as a site for religious or educational purposes. However, where the land is used by the owner or any other person for business, commercial, professional or trade purposes, the owner of the land is liable for tax at 50 per cent of the rate imposed by the Land Tax Act. The 50 per cent concession was introduced when the Act was rewritten in 1976. Prior to that date, all "charitable bodies", which included universities, educational and religious bodies, were fully exempt. To address the problem of charitable bodies speculating on large tracts of land, all vacant or unimproved land held by but not reserved for the purposes of these bodies became fully taxable. Furthermore, land owned and used for business, commercial, professional or trade purposes became taxable at a 50 per cent concessional rate similar to that which applied under the previous land tax legislation to clubs and societies.

As a result of this concession, businesses which lease properties owned by universities, educational and religious bodies, or which are operated directly by these bodies have a competitive advantage over businesses leasing property from fully taxable owners. This is because under the terms of a commercial lease, it is usual for the landowner's land tax, including the benefit of any concession, to be passed on directly to the tenant. This is no longer considered appropriate, as it puts in place an inequity in the treatment of businesses dependent on who owns the property they lease. Furthermore, it places such bodies at a commercial advantage relative to other landlords when attracting tenants to their property. This competitive advantage was highlighted recently when a shopping centre that was previously subject to land tax at the concessional rate, due to the owner's status, became liable at the normal rate when the property was sold.

As announced in the Budget, it is intended to remove this competitive advantage by phasing out this land tax concession over three years. The phased removal of the concession will give businesses that have enjoyed the concession time to adjust. A 40 per cent concession will apply in 1998-99, followed by a 20 per cent concession in 1999-2000, prior to the full removal of the concession in 2000-01. Land used for the principal objectives of these bodies will continue to be fully exempt. The additional revenue from this measure is estimated to be \$0.2m in 1998-99, \$0.7m in 1999-2000 and \$1.2m per annum thereafter.

The second land tax measure in this Bill seeks to clarify the residential exemption provisions to ensure that only one residential exemption is allowed in an assessment year, other than in specific circumstances. An exemption is provided in the Act for any lot or parcel on which is constructed a dwelling house used by the owner of the land solely or principally as his or her ordinary place of residence. Recent decisions of the Land Valuation Tribunal have suggested that a person may have more than one ordinary place of residence for the purposes of the exemption, although no exemption has been granted on this basis. The intention of the legislation, as cited in the second reading speech at the time of its introduction, was to "remove land tax completely from the land under the family home". On that basis, an exemption has been provided in respect of an owner's principal place of residence as at 30 June preceding the year of assessment. However, it was never contemplated that an owner would have two principal places of residence at 30 June other than in the specific circumstances recognised in subsequent amendments to the Act. Those amendments were made -

- to allow two residential exemptions for properties owned jointly by husband and wife where one of them uses the property as his or her ordinary place of residence, for example, following the breakdown of a marriage; and

- to allow two residential exemptions for two residences owned in transitional circumstances.

To administer the Act on the basis that more than one principal place of residence existed would make the assessment process extremely difficult, and could provide an opportunity for landowners to obtain an exemption in respect of their holiday homes as well as their usual places of residence.

It is proposed to amend the exemption provisions to make certain that only one residential exemption can be claimed in an assessment year, except in those circumstances specifically provided for.

The third land tax measure in this Bill seeks to amend the Act to provide legislative support for the inner city living land tax rebate. This scheme was an initiative of the previous Government as part of a policy to encourage inner city residential development and was administered by the Treasury prior to its transfer to the State Revenue Department with effect from 1 July 1997. The transfer has resulted in efficiencies in the administration of the scheme for both eligible landowners and the Government. Notwithstanding that the scheme could continue to operate without legislative support, incorporation of the scheme into the legislation will offer opportunities to further streamline its administration. The scheme itself provides for landlords who own inner city residential properties in a commercial or other non-residential zone to receive a rebate of the difference between their land tax assessment and what it would have been if the land had a residential zoning.

The number of eligible applicants and the value of rebates provided has reduced from a high of 92 applicants at a cost of around \$90 000 for the 1993-94 assessment year to 11 applicants at a cost of around \$12 000 for the 1996-97 assessment year.

The expected outturn for 1997-98 and the budget estimate for 1998-99 is \$40 000. Subject to the passage of this legislation, it is intended that a regulation will be made to prescribe the boundaries of the inner city area consistent with those which apply under the current administrative scheme.

Part 4 of the Bill seeks to amend the Rates and Charges (Rebates and Deferments) Act 1992, which provides state government concessions to seniors and pensioners in respect of their council and water rates. The amendments seek -

- to facilitate the transfer of the administration of the Act from the Treasurer to the Minister for Finance;
- to improve the efficiency of administration of the Act; and
- to provide greater equity to those affected by the legislation.

Looking at the proposed changes in greater detail, the administrative responsibility for the Act has been transferred from the Treasurer to the Minister for Finance. As a consequence, a number of references in the Act to the Treasurer are no longer appropriate and it is intended to replace them by references to the Minister.

Furthermore, the operational administration of the Act has been transferred from the Treasury to the State Revenue Department. Accordingly, the delegation provisions of the Act are being amended to allow the Minister to delegate certain of his powers to the Commissioner of State Revenue and any other officer assisting the Commissioner.

Other changes that are proposed include -

- an amendment to account for a change in the rating year of the Busselton Water Board from a calendar year to a financial year; and
- removal of references to the Coordinator of Water Services in the Act so that claims for reimbursement by local authorities can be made directly to the Minister rather than being channelled through the coordinator.

The current offence provisions of the Act are also being updated to clearly specify the period in which complaints may be laid against persons who commit a breach. In the absence of a specified period, reliance is placed on the Justices Act that deems that a complaint must be laid within 12 months from the time that the complaint arose. This 12 month period is considered insufficient time to allow complaints to be laid against persons committing offences against the Act as it often takes longer than 12 months to detect any breaches, thereby effectively preventing the prosecution of persons who commit an offence. To remedy this situation, the Bill seeks to insert a five year limit in which complaints must be laid in order to prosecute persons who commit offences against the Act.

Finally, it is proposed that the Act be amended to extend its scope of operation. It is proposed that pensioners who own their place of residence may continue to claim a rebate or benefit of a deferment for that property on an indefinite basis when they are absent from their residence because of ill health, frailty, or other factors beyond their control. A pensioner's rebate or deferment entitlement currently ceases when he has not occupied his ordinary place of residence in such circumstances after two years. This change will allow, for example, the spouse of the absent owner who continues to occupy the residence to enjoy the full rebate or deferment benefit, whether or not he or she is joint owner with the absent partner. In addition, it is proposed that a person such as the surviving spouse of a deceased pensioner who continues to occupy the family home under a right of residency, pursuant to the terms of the will of the deceased pensioner, will continue to enjoy the full rebate or deferment benefit when that person is an eligible person in his or her own right and is responsible for the payment of the rates. Currently, only pensioners who hold a life interest in the property are entitled to claim the rebate or deferment benefit after the death of a spouse.

Part 5 of the Bill seeks to amend the Stamp Act 1921 -

- to ensure existing exemptions for certain nursing home and hostel agreements continue to apply;
- to remove the secondary nexus requirement that links certain shares in foreign companies to Western Australia, thereby making them liable to duty upon transfer; and
- to broaden the conveyance duty base by limiting the scope of the current exemption for chattels conveyed with real property, including mining tenements.

Division 2 of part 5 of the Bill seeks to address problems created in respect of existing exemptions for certain nursing home and hostel agreements resulting from the enactment of the Aged Care Act 1997 by the Commonwealth which became operative from 1 October 1997. Members may recall that the Government announced its intention to legislate in this regard on 24 November last year, and at that time it was also indicated that the operation of these amendments

was to be retrospective from the commencement of the Commonwealth Act. Such an announcement was considered necessary to provide certainty for aged people entering such accommodation.

*Sitting suspended from 6.00 to 7.30 pm*

Hon MAX EVANS: Exemptions are currently provided in the Stamp Act for -

agreements under which charitable organisations grant a right of residency to aged and disabled persons pursuant to the objectives of that organisation;

agreements under Part V of the National Health Act 1953 of the Commonwealth, between the proprietor of an approved nursing home and a person with regard to whom an approval for admission has been given, and relating to the care of the person as a patient;

agreements relating to the care of a person as a patient of a nursing home declared by the Minister by notice published in the *Government Gazette* to be exempt; and

an agreement between the proprietor of a hostel and an eligible person within the meaning of the Aged or Disabled Persons Care Act of the Commonwealth which relates to hostel care services for the person.

The introduction of the Aged Care Act nullified the existing stamp duty exemptions under section 112R of the Stamp Act because the exemption provided under that section for non-charitable nursing homes and hostels did not include agreements entered into under the Aged Care Act. Accordingly, that exemption could no longer apply.

This Bill proposes that section 112R be replaced to ensure that all agreements made under the Aged Care Act between an approved provider and the recipient of aged care services are exempt. This will ensure that aged care schemes offered by private hostels continue to receive the same stamp duty treatment as those operated by charitable organisations. Furthermore, the provision has been drafted in a manner broad enough to provide exemption for both existing agreements and any future agreements which may be required under the Aged Care Act, including, for example, accommodation bond agreements should they be introduced in the future. This amendment is expected to have no revenue impact.

Division 3 of part 5 of this Bill seeks to remove the secondary nexus requirement that links certain shares in foreign companies to Western Australia, thereby making them liable to duty upon transfer. Under current arrangements the transfer of a share in a foreign company will be subject to stamp duty where the shares are registered on a register kept by the foreign company in Western Australia; or if the shares are not kept on a register by the foreign company in Australia, where a registered office is located in Western Australia.

These rules are referred to respectively as the primary and secondary nexus for foreign company shares. The primary nexus indicates clearly which foreign company shares will be subject to stamp duty upon transfer. The primary nexus will continue to apply to foreign company shares traded off-market where such shares are held on a register in Western Australia.

The foreign company secondary nexus was inserted into the Act in 1994 as part of the Australia-wide amendments to accommodate the clearing house electronic subregister system. It was considered necessary at that time to prevent register shuffling in foreign company shares, which could occur by moving the foreign company share off an Australian register to an overseas register in a country where no stamp duty is charged. However, unintended consequences of the secondary nexus have recently been brought to the attention of the Commissioner of State Revenue by a foreign company seeking to list on the Australian Stock Exchange.

Technically, if a foreign public company has a registered office in Western Australia, the secondary nexus provision imposes a liability on those shares which are traded on any overseas stock exchange or traded off-market in another country. For example, if a foreign company kept a registered office in Western Australia, the secondary nexus provision would operate to impose duty on all transfers of shares of the foreign company which occur outside Australia. While this provision has been in the Act since 1994, it has been virtually ignored by the foreign companies because the share purchaser was liable for duty on any shares transferred. However, 1997 amendments to the Stamp Act transferred the liability to the company if it entered an unstamped transfer in its register.

While the secondary nexus problem was highlighted in the context of a public foreign company, the problem also exists for all private foreign companies, although the potential liability is less likely to occur as shares in a private company are not transferred on a regular basis. From a competition policy perspective, the foreign company secondary nexus results in an undesirable anomaly when compared with the stamp duty treatment of Western Australian companies. The majority of shares in Western Australian companies which trade on prescribed overseas exchanges are exempt from duty. Only a limited number of foreign companies listed on the Australian Stock Exchange keep a Western Australian register or registered office. Information received from the Australian Securities



Commission indicates the major shareholders of those companies, who hold greater than a 5 per cent shareholding, reside outside Australia and do not keep their shares on a register in this country.

The secondary nexus has been removed, or will be removed, in the majority of the other States as part of the stamp duty rewrite. New South Wales, South Australia, Victoria, the Australian Capital Territory and Tasmania will rely only on the primary nexus for foreign companies. Queensland does not currently have the secondary nexus provision for foreign companies in its Act. This measure will have only a negligible revenue impact, due to the limited reliance on the secondary nexus with regard to foreign companies. Although it is possible that a minor Australian shareholder will register-shuffle, the amount of duty avoided will probably not warrant such action relative to the costs involved.

Division 4 of part 5 of this Bill seeks to broaden the conveyance duty base by limiting the scope of the current exemption for chattels conveyed with land, including mining tenements. Western Australia is currently the only State which still provides a general stamp duty exemption for chattels sold in conjunction with real property. Common examples of chattels conveyed with various types of real property include in the case of homes - curtains, rugs and furniture; in the case of businesses which own real property - computers, photocopiers and furniture; in the case of office buildings - moveable partitions; and in the case of mining tenements - removable ore crushing equipment, drilling rigs and other off-road vehicles.

The exemption for chattels dates back to the English law on which stamp duty in Western Australia was modelled in the 1880s, when it was apparently customary for a vendor to remove the chattels prior to selling a property. The exemption can no longer be justified on this basis. Furthermore, the exemption provides an incentive for taxpayers to minimise stamp duty by claiming that chattels account for an artificially high proportion of the total property value.

This measure extends the stamp duty conveyance base by charging duty on chattels that are conveyed in conjunction with land. For the purposes of these provisions, land includes mining tenements and long term leases which have an assigned or determined value. Chattels situated in Western Australia will be charged with duty where they constitute property transferred in conjunction with land, where units in a private unit trust are transferred and land and chattels constitute assets of the unit trust, and where shares in a land rich company are transferred and land and chattels constitute assets of the company.

Chattels will not generally be charged with duty when they are transferred with a leasehold business that does not own land. Where land and chattels are transferred together, or are deemed to be transferred together, the chattels will be liable to duty. In other words, where land and chattels form "one transaction or one series of transactions", duty will apply. A number of examples illustrating the types of arrangements that may be considered to be one transaction or one series of transactions are further detailed in the explanatory memorandum associated with this Bill.

As noted already, chattels will not generally be charged with duty upon the transfer of a leasehold business. Provided ad valorem duty is not charged on the lease assignment when a business is transferred, duty will not be charged on the chattels transferred with the business. However, if the lease has value and ad valorem duty is payable on its assignment, duty will be charged on the transfer of chattels, as the leasehold interest is considered to be land. The leasehold exclusion has been designed to ensure that no disparity exists between land transferred in fee simple and that where pseudo ownership is transferred by assigning a long term lease held over the property.

Several classes of chattels will be exempt from duty, regardless of whether they are transferred in conjunction with land. These exempt classes of chattels are stock in trade, including raw materials and goods under manufacture; vehicles, where stamp duty is chargeable on the transfer of a licence or which are specifically exempt from stamp duty under the third schedule of the Act; chattels used or located on land used for farming purposes; and other chattels as prescribed. It is not intended to prescribe any chattels as exempt at present. However, the power has been inserted to provide flexibility in the future should it be considered appropriate to provide an exemption for certain types of chattels.

The proposal that chattels sold in conjunction with a farm should remain exempt from stamp duty reflects that they are often expensive and can account for a relatively high proportion of the total value of the farm. This is clearly the case with plant and equipment such as harvesters and tractors. It was considered that to subject such chattels to stamp duty would have been unduly harsh, particularly given the relatively low return on capital generally achieved in farming relative to, say, mining.

To prevent avoidance of duty on chattels sold in conjunction with land, amendments are also proposed to the "Clayton's contract" provisions of the Act to ensure that the duty payable on chattels cannot be avoided by transferring their ownership in an undocumented manner. These provisions will operate where the beneficial ownership of both chattels and land changes. They will also apply when a transfer of land is documented, and chattels are transferred by some other arrangement.

Amendments are proposed to the land rich company and private unit trust provisions of the Act, which have the effect

of charging duty on the gross value of the land and chattels held by the company or unit trustee when an acquisition of shares in the company or a disposition of units in the trust occurs.

An anti-avoidance provision is also proposed to ensure that duty cannot be avoided by transferring the chattels out of the unit trust structure, before the transfer of the units takes place. The anti-avoidance provision will operate where the chattels are transferred directly or indirectly to the person who benefits from the disposition of the units. Similar provisions are also proposed to be inserted in the land rich company provisions, although it is less likely that avoidance of the chattel duty would occur by transferring chattels out of the company structure, as the land component of the company would be increased.

Unlike the general conveyance provision, only motor vehicles that are specifically exempt under the third schedule will be exempt chattels. Motor vehicles within a company or unit trust structure would be considered to be dutiable as chattels, as no duty is paid under part IIIC of the Act when the shares or units are transferred.

This measure is estimated to raise additional revenue of \$10m in 1998-99 and \$12m in a full year, which is equivalent to around a 3 per cent increase in the conveyance duty base.

The chattels measure and the proposed conveyance duty rate increases contained in the Revenue Laws Amendment (Taxation) Bill are not expected to have a significant impact on property market activity in the current low interest rate environment. Nevertheless, to cushion the impact of these measures on lower income earners, the Revenue Laws Amendment (Taxation) Bill also seeks to increase the existing stamp duty concessions for home buyers and purchasers of a small business.

Part 6 of the Bill seeks to amend the Debits Tax Act 1990, the Debits Tax Assessment Act 1990, the Financial Institutions Duty Act 1983 and the Stamp Act 1921 to cater for proposed amendments to the Cheques and Payment Orders Act 1986 of the Commonwealth.

The proposed changes to the financial institutions duty legislation and the Stamp Act are to cater for changes in definitions in the commonwealth Act to which the state legislation refers and to recognise that the commonwealth legislation will remove payment orders as a financial instrument.

The major impact at which this Bill is directed pertains to debits tax. As members are aware, debits tax is imposed on taxable and eligible debits made to accounts upon which either cheques held with banks or payment orders held with non-bank financial institutions can be drawn. To encourage competition in the provision of financial services to the community, the proposed amendments to the commonwealth legislation will allow building societies, credit unions and their industry special service providers to issue cheques in their own names. Special service providers are bodies established by the credit union and building society industry associations to provide for payment settlement and clearance functions for their member entities through agency cheque arrangements. Their establishment allows these smaller financial institutions to combine to offset the comparatively high cost of participating in the cheque payments system. Customers of building societies and credit unions will be able to draw cheques on their own financial institution, or on their institution's special service provider, instead of on a bank through agency cheque arrangements, as at present. The amendments to the commonwealth legislation will also remove payment orders as a payment mechanism.

As a consequence of the proposed amendments to the commonwealth legislation, under the current debits tax and stamp duty legislation, no liability would arise from cheques written on an account held with a building society, a credit union or a special service provider. Accordingly, the amendments proposed in this Bill will ensure that debits to accounts upon which cheques can be drawn held by building societies, credit unions or special service providers will be treated for debits tax and stamp duty in the same manner as a bank. This will ensure that the revenue currently derived from cheque facilities operated by building societies, credit unions and special service providers is preserved. However, no competitive advantage would result for such entities as a result of the state taxation regime relative to the taxation position faced by the banking sector.

The commencement provisions in relation to the proposed amendments provide that these changes will come into operation upon the commencement of the operation of the amendments to the Cheques and Payment Orders Act.

Part 7 of the Bill seeks to amend the Stamp Act 1921, Financial Institutions Duty Act 1983, Pay-roll Tax Assessment Act 1971 and Land Tax Assessment Act 1976 to allow the Commissioner of State Revenue to approve forms required by those Acts. Currently, certain forms are required to be prescribed by way of regulation and this limits the commissioner's ability to make minor adjustments without undertaking a time consuming regulatory exercise. In contrast, other legislation administered by the commissioner requires only that applications and statements be in a form approved by him. These include valuation forms, applications for refunds, rebates and concessions, and various other registration and assessment forms. It is considered that the use of "approved", rather than "prescribed", forms is a more flexible approach which better facilitates the efficient administration of the state taxation regime.

Subject to passage of this legislation, it is intended that regulations will shortly be made to repeal the majority of prescribed forms. I commend the Bill to the House and, for the information of members, table the associated explanatory memorandum.

[See paper No 1676.]

Debate adjourned, on motion by Hon Bob Thomas.

# **AMENDMENT TO JOINT STANDING ORDERS - PARLIAMENTARY SERVICES COMMITTEE**

*Assembly's Message - Order Discharged*

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

That Order of the Day No 13 be discharged from the Notice Paper.

## **PARLIAMENTARY SERVICES COMMITTEE - ESTABLISHMENT**

*Committee*

The President (Hon George Cash) in the Chair.

Hon N.F. MOORE: I move -

That -

(1) Standing Order 303 is amended -

(a) by deleting the references to "House Committee", "Library Committee" and "Printing Committee";

(b) by inserting the following -

" Parliamentary Services Committee 5"

(2) The Schedule is amended by adding the following item -

### **Parliamentary Services Committee**

1. A standing committee under the name of "*Parliamentary Services*" is established.
2. The committee consists of 5 members.
3. It is the function of the committee to advise the President on any matter under the joint control of the President and the Speaker and any other matter referred to the committee for its consideration by the President.
4. The committee has power to confer with a committee of the Legislative Assembly having similar functions.
5. Standing Orders 311 - 317 apply to the committee.

(3) Joint Standing Orders 1 and 2 are repealed.

Mr President, I ask you as Chairman of the Standing Orders Committee and also in your capacity as President, a promoter of this proposition, to address the Committee and then we can respond to your comments.

The PRESIDENT: In message No 110 the Legislative Assembly advised the Legislative Council that it had passed a motion to delete standing orders 1 and 2 of the joint standing orders. For those who do not have their standing orders open at that page, joint standing order 1 relates to the appointment of standing committees and covers the composition and establishment of the Standing Orders Committee, the Library Committee, the House Committee and the Printing Committee. Joint standing order 2 relates to the constitution of committees. They would become redundant on the passing of this proposal to establish a Parliamentary Services Committee. The Leader of the House intends to deal with the proposition put forward by the Legislative Assembly in the motion he has just moved. As this is the Legislative Council and our standing orders differ in a number of areas from those of the Legislative Assembly it is proposed that we amend our current standing order 303 to reflect what is stated in the motion before the Committee. The first amendment is that references to the House Committee, Library Committee and Printing Committee be deleted, and we insert a Parliamentary Services Committee comprising five members.

For the benefit of those members who may not be fully aware of the situation, at the moment the House Committee,

which is a joint committee comprising members of both the Legislative Council and the Legislative Assembly, meets on a regular basis. In recent years, the House Committee has handled most of the administrative matters of the House. The Library Committee and the Printing Committee, of which we have members, have not met very much at all. I asked a member of the Library Committee recently - or it might have been of the Printing Committee - when it most recently met, and it was about two years ago.

Hon N.D. Griffiths: Mr Caxton presided over the Printing Committee!

The PRESIDENT: How long ago was he the Presiding Officer!

Hon N.D. Griffiths: He was the original chairman.

The PRESIDENT: It seems obvious that if the Library Committee and the Printing Committee do not meet on a regular basis, they do not serve any purpose; and, worse than that, we do not get input from the manager of the library or the manager of Hansard, and that is a disservice to those departments within Parliament House.

It is intended that if we establish a Parliamentary Services Committee, representatives of the amalgamated joint departments - the Executive Manager, Parliamentary Services, Mr Graeme Davy, and, no doubt, the Building Services Manager, Mr Vince Pacecca; the Manager, Library and Information Services, Ms Judy Ballantyne; the Editor, Parliamentary Debates, Mr Neil Burrell; the Manager, Information and Communication Systems, Mr Rob Lewis; the Acting Manager, Finance Services, Mr Doug Conroy; the Human Resource Officer, Mr Rob Hunter; and the Manager, Catering Services, Mr Enno Schijf - would attend the Parliamentary Services Committee as and when required and would, obviously, put their position to that committee on any matters that they wanted considered from time to time. A Parliamentary Services Committee in the form that is proposed would take care of all the matters currently handled by the House Committee, the Library Committee and the Printing Committee. That will be a far more effective and efficient way of running the Parliament. In addition, we would get some input from the Library Committee and the Printing Committee, which by no fault of the current managers have not met for a long time.

The Budget this year does reflect a Parliamentary Services Committee comprising one department rather than three departments. Mr Graeme Davy, the recently appointed Executive Manager, Parliamentary Services, is in my view, and I know from the comments of other members also in their view, doing a very impressive job, and that is to the benefit of all members and to both Houses in general. I support the establishment of a Parliamentary Services Committee and trust the House will also support it.

Hon N.F. MOORE: Mr President, the Government obviously supports the motion and the restructuring of the management of Parliament House that has been instigated under the auspices of yourself and Mr Speaker. This motion will bring the House committees into line with the restructure of the management of the House, and that is a sensible approach. Like you, Mr President, I am aware that some committees have not met on a regular basis for many years, and it is time to make the changes that are necessary to ensure that the Parliament operates in an efficient and effective way.

Mr President, the contribution that you and Mr Speaker have made in the time that you have held office has been quite significant.

Hon Kim Chance: Hear, hear!

Hon N.D. Griffiths: He did not get a question today!

Hon N.F. MOORE: I think it is fair to say that the services in Parliament House and the way in which those services are provided have improved dramatically. The improvement in the general appearance of this place and in the way this House operates these days reflects the significant amount of work that you and Mr Speaker are doing to improve the workings of the Parliament for all of us. The introduction of buffet dinners for families, such as the one that was held tonight, is a tremendous contribution to the life of members of Parliament. Those people outside this place who criticise us frequently do not recognise the sacrifices that many members make just by not being home for dinner three nights a week. Their families have to put up with that as well. The ability of families to get together in Parliament House for a buffet dinner is a reflection of the attitude that you and Mr Speaker have adopted towards the running of the Parliament. I commend you both for that, and think other members would agree.

Hon Ken Travers: Hear, hear!

Hon N.F. MOORE: Mr President, I am not making this speech with the expectation that all other members will rise to say similar things, in the hope that you will be attracted to them when they ask questions tomorrow, but I say in all sincerity that what is happening in this place is a vast improvement. This motion is a reflection of the changes that are taking place, and is very worthwhile, and I ask the House to support it.

Hon N.D. GRIFFITHS: On behalf of the Australian Labor Party, we welcome this proposal and support it with vehemence. We agree with what Hon Norman Moore said. I note in particular his comments about the workings of committees. We are a very small House by commonwealth standards and by parliamentary standards, and on many occasions the demands that are made on the time of members to attend committees are great. It is very welcome that we recognise that some aspects have not worked and that we are moving to a new regime which promises greater efficiency and better decision making.

I concur with the comments of the Leader of the House with regard to what has taken place progressively during my period as a member. Parliament House has been somewhat spruced up in recent times, and with the changes to the dinner arrangements, particularly with the introduction of buffet meals, the Parliament is becoming more family friendly, and that is conducive to all of us performing better in the interests of the community.

Mr President, before I conclude I remind you of the very appropriate and fulsome interjections of Hon Kim Chance, Hon Bob Thomas and Hon Ken Travers, who should after that - and I say this with my tongue remaining close to my cheek - look forward to your glance tomorrow at 4.00 pm when you sit in your more customary chair, after the Leader of the Opposition has been given the call -

Hon E.J. Charlton: The hole is getting deeper!

Hon N.D. GRIFFITHS: I do not want to steal the thunder of the Leader of the National Party, Hon Eric Charlton, easy though that is, but I conclude by saying this is one of those worthwhile measures, and I am pleased it has been brought forward this evening. I am particularly pleased at the prospect of getting this in train before the Parliament is prorogued.

Hon NORM KELLY: In fear of missing out on question time entirely tomorrow, I would like to express the Australian Democrats' overwhelming and total support for this motion.

Hon Ken Travers: That is not what you said outside!

Hon NORM KELLY: I am well aware of the standing orders relating to repetition, but I would like to say that again and again. We support your comments, Mr President, and those of the Leader of the House in saying that the proposed committee represents an efficient reorganisation of the House, Printing and Library Committees and reflects the reorganisation which has been taking place in the administration of this House. It is important that we are fully aware of the public's perception of not only parliamentarians but also the workings of Parliament House. I appreciate your work, Mr President, and that of the Speaker in making the public more aware of the prevailing conditions in these buildings for members of Parliament but, more importantly, for full time staff. It is important that in the setting of a Joint Parliamentary Services Committee, the concerns of the staff can be reflected in its workings.

We believe that such a joint committee should enable representation from all political parties and independents, if they desire to be on such a committee. We have the scope to do that in this joint committee by combining members from both Houses and also by understanding the different requirements and demands of the various parties. Members are well aware of the constraints on the Democrats as the smallest party in this Parliament. The difficulties we have are not experienced by the Opposition or Government parties. This is a good way to allow smaller parties, such as the Democrats, the Greens and the Nationals, to have representation and for their expressions to be heard. I appreciate the work that has gone into formulating this motion and we support it fully.

Hon KEN TRAVERS: I commence by congratulating you, Mr President, on your good work.

The PRESIDENT: I have already taken note of your name.

Hon KEN TRAVERS: I hope this means you have taken note of it twice! I support the motion with a great tinge of sadness. One of the aspects of this motion will be to disband the Library Committee. A number of members in this place are aware I was elected by Caucus to have the honour to serve on that committee. Unfortunately that has never been transformed into a decision of this House.

Hon N.D. Griffiths: Notwithstanding our great confidence in you.

Hon KEN TRAVERS: I was humbled to be given the honour by my Caucus to serve on the Library Committee, while recognising that it has not met. I have some experience in this area. For members' information I was the head librarian at Coolbinia Primary School as a young lad. It was a position I held with great honour and esteem. I always remember getting a book in grade 7 to commemorate the event. It was written by Jacques Cousteau. It was a consolation for being runner up to citizen of the year in the school, which always caused some bitterness for me.

Nonetheless I was looking forward to having the honour of serving and representing this place on the Library Committee. My tinge of sadness is that the opportunity never came about for me to do that - to have the lunches or

to place it on my CV for parliamentary handbooks in future years. I am sure that the proposed committee will serve this place in good stead. I hope that one day I can seek to achieve an illustrious position on that committee. I was never a canteen monitor so I lack some experience in that regard. Other members in this place have shown immense jealousy because at one stage I was to be a member of the Library Committee. On a number of occasions Hon Norm Kelly has expressed that desire. I note his comments this evening in respect of the committee we are establishing that he would like some involvement as a member of a minor and shrinking party.

In all seriousness, these are very positive changes. As a new member who has been in this place for only a short period, I have certainly seen the very refreshing changes. I support the motion.

Hon N.F. MOORE: I neglected to mention that I propose to seek nominations between now and tomorrow from the various parties with a view to either having nominations accepted by the House or having an election tomorrow to put this committee into place.

Hon CHRISTINE SHARP: I came racing up the stairs in my enthusiasm for this motion when I realised the House was debating it. When I first sighted this motion a few weeks ago it immediately struck a chord that it was an extremely good, practical idea which all members of this Parliament would support. We three Greens are very enthusiastic about the idea. We hope that we may be able to participate in some shape or form. We are very pleased to support the motion.

Hon J.A. SCOTT: I can see why, with the obsequious opening, how Hon Ken Travers managed to become runner up to citizen of the year. I support the motion.

The PRESIDENT: Before I put the motion there are two matters: First, Hon Ken Travers will be able to use his membership of the Library Committee on his CV because he is a member and has been since he was elected. The problem is the committee never met while he was a member. Second, a Management Executive Committee has been established within the Parliament for administrative purposes. It comprises the two Presiding Officers, the two Clerks and the Parliamentary Services Manager. It meets almost weekly, so there is greater coordination with the House on just what are the requirements of the House. To date the committee has been very successful in the administrative sense.

Question put and passed.

### *Report*

Resolution reported and the report adopted.

## **ESTIMATES OF REVENUE AND EXPENDITURE**

### *Consideration of Tabled Papers*

Resumed from 26 May.

**HON KIM CHANCE** (Agricultural) [8.09 pm]: I understand it is traditional that the budget speech provides an opportunity for members to talk about anything but the Budget. I thought I would break the tradition on this occasion and say a few things about the Budget in my opening. I also note that the President's Gallery is distinguished by the presence of an honourable former member. It is clear that Hon Paul Sulc somehow learnt that I was to give my budget speech tonight and got in early to avoid the rush. I am pleased to see he is able to do that with such a crowded gallery!

During the Estimates Committee hearings on Primary Industry I made some comments about the value of the budget documents to Parliament and the public. Despite a great deal of self-promoting rhetoric from the Government and Treasury, this year's budget papers were next to useless for the purpose of public scrutiny. The two key negative issues in the budget presentation are, first, the absolute lack of transparency in the way the operating expenditure, and sometimes the receipts, are indicated; and, second, the fact that each year we seem to be forced to deal with a different mode of presentation format, which makes year to year comparison of those figures next to impossible.

When we raise these questions, as we I did last year and the year before, the answer generally given is that the adoption of accrual accounting results in a vast improvement in accountability, but the price we must pay for that improvement is the difficulty in comparing allocations with those of earlier years based on cash accounting principles. We heard that line even this year. I am ready to accept that the adoption of accrual accounting is an advance and is worthwhile, even to the point of having some difficulty adjusting to it. However, I find it much more difficult to accept that we must make new adjustments every year. Surely, if we were prepared to adopt accrual accounting, get the pain over with in one bite and suffer the difficulties in not comparing cash accounting with accrual accounting principles, from that year on we could move ahead on the basis of year to year comparisons. However, each year,

including this year, we have been told that the problem is that we have accrual accounting. We moved to that three years ago! I see a prominent member of the Standing Committee on Estimates and Financial Operations is in agreement.

Hon Murray Montgomery: Maybe you should ask yourself how many of the departments understood what they were meant to be doing.

Hon KIM CHANCE: That is an extremely good point, which needs to be considered. How many of the departments understood how to conform to the new formats?

Hon Bob Thomas: A number of departments are involved. Last year we went to all departments and this year to all agencies. It has been progressive rather than everything happening three years ago.

Hon KIM CHANCE: I thank the member for his interjection. It is clear that differences arise between the agencies in the way that they meet the demands of Treasury. I will say more in that regard formally later.

Frequently, the reason given by the spokespersons for the agencies when a deficiency on that part of their presentation was highlighted was that they were meeting the specification requirements of Treasury and the Australian accounting standards. It is possible to meet both of those specifications and still not tell members of Parliament what they need to know for the purpose of doing their job.

Also, we have the practice of lumping vast sums of revenue together in the revenue statement under the line item of "Other". Frankly, if that is in line with Treasury instruction, surely that is Treasury's way of having a little joke with Parliament. That line item in the Health budget contained almost half a billion dollars. The whole Western Australian Budget comprises \$7b, and one-fourteenth resided in one line item of one agency. In no-one's description could that be described as adequate accountability.

More than 98 per cent of the accounts of the Agriculture Protection Board, or the more formal description of the Industry Resource (Agriculture) Protection Branch of Agriculture Western Australia, in operating expenditure was listed in one line item as "Other". Those are two examples from agencies in which I took an interest. Others may be worse. An inconsistency was evident between the agencies. Although Education had a big "Other" line item under operating expenses, it represented a much smaller percentage of its total than that for the other agencies. It seemed that the Education Department made a better effort in providing information than Health, and everybody certainly did a better job than the APB.

I refer to the commonwealth budget papers for a model regarding the way we should make our budget presentation. In contrast with ours, the Commonwealth's has clarity, comparability from year to year, brevity and an absence of useless padding of which we can only dream. Members should go through the Budget Statements and identify how many pages comprise facts and figures, and how many pages contain public relations statements, which are frequently restated on another page. These are stated once as an agency objective, and then as a program objective. They are absolutely useless. Such statements would be more properly contained in an annual report or an addendum. I see Hon Bruce Donaldson looking at me sceptically. We need to know in textual terms what the agencies propose to do in the forthcoming year. We need explanation, and it is appropriate to find that in the Budget Statements. I suggest that members visit the Parliamentary Library and look at the commonwealth budget presentation. They will see what I mean. They will find that this vast Budget by our standards has consistent, precise and informative data. That should be delivered in the state Budget, but it is not happening.

I am not in the habit of comparing the commonwealth administration favourably with that of this State. It is one of the few things the Commonwealth does better than we do in this State. We lag in comparison with the Commonwealth. We should be able to lift our game. It is not acceptable for Ministers to say, as some did, that greater detail regarding budgets is provided in the annual reports.

The annual report is not interchangeable, nor is it a substitute for the budget documents. The annual report is a retrospective document - not a prospective document as the Budget is - and is frequently late. It is not available in the relevant years at the time of budget scrutiny. We should not be forced to rely on the annual report, which has a different mode of presentation from the Budget, as a source of information.

One key budget item which avoided scrutiny this year as a direct result of the adoption of the generic line item "Other" in operating expenses is the matter of services and contracts. Although the budget presentations of the earlier years of this Government and the years of the Labor Government were inadequate, we were able to measure the movement of the total sum of services and contracts that an agency purchased and assess the trends in movement for wages and salaries. This is a critical issue because one of the fundamental tenets of the Court Government is that in-house services, where appropriate, will be transferred to outsourced services. We disagree on where it might be appropriate, but it is an issue which has been debated across this House and in the other place since the first act of

outsourcing occurred. There is no problem with our having a different point of view on this matter or with our debating it. However, it is important for the value of that debate to have the facts on which to base the debate. One of the few places in which we can confirm the facts of those two issues is the Budget. That was done with a reasonable degree of accuracy in the comparison of the line item "Wages and Salaries" with the line item "Services and Contracts". In a straight comparison, it was possible to see a fall in the line item "Wages and Salaries" in an agency which was replacing in-house services with outsourced services. We were able to compare that with the increase in the line item "Services and Contracts" which was just below the "Wages and Salaries" line item. If the "Wages and Salaries" line contained a fall of \$2m and the "Services and Contracts" line contained an increase of more than \$2m, that indicated that we should ask the Government: Is the cost of replacing the in-house services with contract services not rising, since it is not delivering more services and a net increase in the combination of those two lines has resulted?

The Government may properly argue that the quality of services rose because it contracted more services than it provided through its in-house facilities. However, we were not able to do that this year. We could not make the comparison between wages and salaries and services and contracts. It is fundamental that the best arguments in this place begin from issues like that because the generic question is put to the Government: Is the cost of those contracts not higher than the cost of the former in-house services? It is impossible for an opposition member to be anything but sceptical about the reason for that change. One tries not to be sceptical. I am not a sceptical person; I am an optimist.

Hon Ray Halligan: It is not in your nature.

Hon KIM CHANCE: A person can always provide me with a good reason for what he is doing - but I might not always agree with it. It is impossible for me not to have some scepticism, if not cynicism, about the reason for that change. The trend that was becoming apparent was akin to the hypothetical situation I was outlining. We were seeing a rise in services and contracts which exceeded the savings received from wages and salaries. The costs involved in contracting seemed to exceed the savings. The conclusion of members opposite, without better information, was that unless the quantum of services increased - and most of us know, and every rural and remote representative knows, that the quantum of services always decreases - the only possible explanation was that the cost of the outsourced services exceeded the cost of the services when provided by in-house staff. The conclusion is that the Government has no enthusiasm for transparency in that issue. Why would the Government want to provide the opportunity to prove that? Members might say that is a sceptical view, but I can find no other reason for wanting to hide that particular line item. It is possible that my assertion is wrong. However, it is impossible to prove me wrong by reference to the budget papers. I cannot prove I am right, and members cannot prove I am wrong. The figures we have seen in the past provide some support for my conclusion. The public should know what is occurring through its direct reference to the Budget and government and opposition members of Parliament. The public cannot get that information from the Budget and that is a deficiency.

The question of tax reform is usually debated in the federal context. However, it is a matter that has a critical impact on the state Budget, as it has a direct influence on our ability to deliver services and control our fiscal position without continuing to sell the State's assets.

Hon E.J. Charlton: We have not been doing it for that reason.

Hon KIM CHANCE: We have been selling off the State's assets partly to reduce the State's debt, which is part of the fiscal position. That is what the Treasurer has been saying. The Treasurer is proud of the fact that we have not used the income from the sale of the State's assets to fund recurrent expenditure in total capital expenditure. We have been doing it to achieve debt reduction. I have no problem with wanting to reduce debt. The sale of assets is one way to do it. The control of our fiscal position, while it includes control of state debt, requires the sale of state assets. It has required it in the past and will probably require it in the future. I hope that we, as a State, will be part of a tax reform system which will address this matter. A great gulf does not exist between the Government and the Opposition on this issue. I acknowledge that we need tax reform. From the State's point of view, we are presently disadvantaged by the impact of vertical fiscal imbalance and we need to provide infrastructure support for a rapidly developing economy. It is the Commonwealth in the first instance, not the State, that benefits from that development. That is the situation we face in the short and intermediate term regarding revenue.

Only by finding some way of sharing that early generation of revenues can we overcome our difficulty. It is very clear to anyone who bothers to look at the facts that the State is not getting a fair deal from the Medicare agreement. The absence of a rational outcome from that issue is compounding what is an already serious problem in the State's health care system. From a broader perspective than the State's fiscal outcomes our tax system is in need of reform.

Hon E.J. Charlton: Should there be an option to have a small user pays component as part of a total national health funding system?



Hon KIM CHANCE: We already have that with private health care in Western Australia.

Hon E.J. Charlton: Private health care has had its day. There is no incentive any more.

Hon KIM CHANCE: We have a problem with private health insurance. In its last attempt to resolve the problem with the \$400 rebate the Commonwealth threw good money after bad. A couple of years ago when the new St John of God Hospital was opened in Geraldton the private health care system in Western Australia contributed 30 per cent of our health care needs, which was higher than contributions in any other State. I acknowledge that in Western Australia we have a vested interest in the private health care system.

However, we are having serious problems with the private health care industry. It is being attacked on two fronts. The one that continually crops up is that it is now a financial disadvantage to belong to a health fund. Not only must one pay health insurance premiums, which for a family are in the order of \$1 600 per annum -

Hon Bob Thomas: They are more like \$2 000.

Hon KIM CHANCE: The Goldfields Medical Fund fee is about \$1 600, which is cheaper than the Hospital Benefit Fund and others, so it is true to say the cost is between \$1 600 and \$2 000. That in itself is not bad because we have a choice. The problem is that if we declare we are members of a fund we will walk out of hospital with a bill. A public health patient, or a private health patient who refuses to declare he is a private health patient, walks out without a bill.

Hon E.J. Charlton: It is absurd.

Hon KIM CHANCE: It is absolutely absurd. A journalist asked me about my personal membership of a private health care fund and I confirmed my family was a member. I also said that between the Medicare levy and my private health care premiums I pay more than \$5 000 a year in health insurance and taxation, which is a bit rich since a few months ago our town did not even have a doctor. I can understand people getting upset about that sort of thing.

An emerging problem identified by the federal Health Minister, Dr Wooldridge, is the fact that a GST levied on private health insurance could be the nail in the coffin for the private system.

Hon E.J. Charlton: You would have to change the other system if you were going to do that.

Hon KIM CHANCE: I hope there will be some adjustment. Health care costs are a problem.

The other area concerning the broader need for reform comes back to our traditional reliance on what is, and has been, a very efficient pay as you earn system. It is a very good system; it is the most efficient in the world. The problem is it is so easy to rely on that we have let other taxing measures fall by the wayside. It has led us to the point that wage and salary earners are paying a grossly disproportionate share of the total taxation revenue. I will not quote statistics because my figures are a little old and I might be hazy about them. Nonetheless, the share of total tax revenue paid by PAYE taxpayers in relation to the gross national product is grossly disproportionate.

It has also led to a major social problem that will not get better until tax reform occurs; that is, the creation of a new class of working poor. In the main the working poor are families who are trapped between low paying jobs and the prospect that social security payments might give better rewards than paid employment. The possibility that the average wage earner will be paying some of his or her income tax at the top marginal rate is also not far away. Additionally, our wholesale tax system is archaic in its structure and too frequently illogical in its outcomes.

These issues have been exacerbated by a new industrial relations regime which includes workplace agreements that can permit lower base wages to be paid and a deliberate campaign by this State Government to reduce the impact unions can have on the protection of low paid workers' wages and conditions. Both factors contribute to an increasingly difficult position for single income families with young children whose earnings are even fractionally below the national average, particularly if their employment is on short term contracts without the protection of unfair dismissal laws.

A number - I hope not a majority - of Australians have become convinced that the answer to most if not all those problems lies in the form of a value added tax, commonly referred to as the goods and services tax. I do not mean to be insulting but it has become something of a Holy Grail for a number of Australians.

Hon E.J. Charlton: You must agree it is fairer than a sales tax regime in the light of what you said earlier about PAYE tax.

Hon KIM CHANCE: Hon Eric Charlton might have to let me develop that argument. I am not a fan of the way the wholesale sales tax system delivers its outcomes.

Hon E.J. Charlton: Neither am I.

Hon KIM CHANCE: As a system it is probably better, but it is desperately in need of reform. I do not believe it deserves the support it has. That support in some senses almost resembles a cargo cult. I do not mean to be insulting but it has a cargo cult following. The GST cultists seem to believe that a GST can deliver something for nothing; that its application can deliver benefits to all by somehow freeing up restrictions on the productive sectors of the economy, thus delivering a better outcome for all. It is not possible. It takes only a little thought to understand why it is not only not possible but also arrant nonsense.

Hon E.J. Charlton: Don't you agree that the people with a large income pay a greater share than through PAYE tax? The more they spend the more they pay. At present they get away with it.

Hon KIM CHANCE: The basic logic is fine but it becomes distorted by the changes between sales tax and GST on luxury goods. If the member bears with me I will develop my argument. In Northam last month I attended a meeting of some 400 pig producers who are justifiably concerned about the collapse of their industry caused in part by the uncontrolled importation of Canadian pig meat. One of the speakers was the federal member for O'Connor, Wilson Tuckey, who never misses an opportunity to flog the cargo cult line. He told the pig farmers that their problems could be addressed, at least to some extent, by the introduction of a GST. I was on the edge of my seat with anticipation trying to work out how he would create the link between the two. His remarkable theory was that when the farmer sold his pigs to a processor, the processor would pay the 10 per cent GST. The farmer would then keep that 10 per cent. The implication is that the 10 per cent is paid in addition to the price that the processor and farmer are able to negotiate. It does not require a genius in free market economics to spot the flaw. Of course, the processor will determine his maximum buying price in total terms, not net of the GST. If the farmer were to retain the 10 per cent, that amount would already be factored into the purchase price; it would not float out of the cosmos. It is junk theory like that from one of the nation's keenest advocates of a GST that has caused confusion about the relative benefits of value added taxes.

The theory of a GST is not very complicated provided everyone is honest on both sides of the argument. Like any other tax, a GST can be revenue neutral, it can raise more revenue or it can raise less revenue. If we assume that initially at least the GST will be designed to have a revenue neutral effect, one very clear point follows: A revenue neutral tax, however it is constructed or designed, can do no more than redistribute the liability for paying tax from one group of taxpayers to another. As long as we accept that we can start down the road. That is a fundamental tenet of revenue neutral tax reform.

If that is accepted and we acknowledge that some people, including probably every member of Parliament, will be better off as a result of the introduction of a GST, it follows that the same number of dollars saved by one sector must be raised from another sector. We all know there is no such thing as a free lunch. There are winners and, for every winner, there is a loser in exactly equal and opposite proportions. Once we have established that we must determine who will win from a GST and who will lose.

Human nature dictates that those who at least think they will win will always support a given proposal. Equally, those who think they will lose will be the detractors. On that basis it is clear that the very lightly taxed business sector, not the PAYE taxpayers, would be further advantaged because it is that sector which is the strongest supporter of the GST. That is applying simple logic to a basic understanding of human nature. The most vocal support for the GST is coming from the Business Council of Australia. The council is not, as the name might suggest, a broad based business group; it represents the top 100 businesses in Australia. For want of a better term, the BCA is the Coles Myer lobby - it does not represent the deli owner down the road.

The increasingly unrepresentative National Farmers Federation has in the past been a staunch advocate of the GST. Indeed, the initial thrust for the GST was largely driven by Gus Hooks, an NFF economist. He is a very nice bloke and he was doing no more than his job. However, since the devastating effect of the drought in eastern Australia, the NFF's enthusiasm for a GST has been muted, if it exists at all beyond the NFF's ivory tower in Canberra.

On the other hand, the Australian Council of Social Service has been working with the coalition Government to arrive at a position where it could accept that the GST could be introduced without disadvantaging the welfare sector. Despite its herculean attempt, ACOSS has reached the view that it cannot endorse a GST. Even if ACOSS had been convinced that welfare recipients could be protected, I probably would have had the same attitude. That is not because I am philosophically opposed to a GST - I am not - nor because it impacts most dramatically on the ACOSS group and others assisted by a system that can be adjusted, but because I fear it will be most disadvantageous to the working poor, who get next to no assistance and for whom countervailing adjustment is next to impossible. That group will suffer if everything they use is subject to a GST. Items such as rent, fresh food, trade services, professional services and insurance services, including health insurance, are currently entirely untaxed.

Hon Simon O'Brien interjected.

Hon KIM CHANCE: There is no sales tax in the -

Hon Derrick Tomlinson: The discussion is about direct versus indirect taxation.

Hon KIM CHANCE: No, I am making a comparison between wholesale sales tax and a GST.

Hon Ray Halligan: You have used the very important word "if".

Hon KIM CHANCE: One thing on which I agree with Dr Hewson and other advocates of a GST is that if we are to apply it effectively it must be applied without exemptions. The dynamics fail if one introduces exemptions. It is better to have no exemptions and fix up the results through the welfare system. European economies have had GSTs for some time, but they have had problems because they commonly have an exempt group of commodities and a multi-step system with two or three different rates. We should try to avoid that. If we are to introduce a GST, let us do it correctly. We should try to get the best system possible.

The additional burden applied to those families will be passed on as benefits to people on the other end of the scale. This is where I begin to address the question raised by the Minister for Transport. The buyer of a \$300 000 Porsche currently pays \$75 000 in sales tax. If that sales tax is eliminated and replaced by a 10 per cent GST - the figure Wilson Tuckey identified - the Porsche buyer will pay \$30 000 in GST. That is a saving of \$45 000, which is equal to two years' salary for the working poor family, which earns \$433 a week before tax. I could not support that outcome and I doubt that any other member would support it.

The GST cultists recognise that wealthy people are sometimes able to evade income tax. They claim that if a GST were imposed, given their high consumption levels, those people would pay at least some tax.

The example I have just given proves that is absolute nonsense. The savings that the wealthy will make on luxury items due to a lower GST rate by comparison with sales tax on luxury goods - including imported cars, fur goods, alcohol, boats and all those toys of the rich - will far exceed any additional tax on health insurance and fresh food.

Hon Derrick Tomlinson: What about alcohol as a toy of the rich?

Hon KIM CHANCE: It is a toy of the rich because I am a very temperate drinker. Members will note I did not include tobacco. GST advocates have correctly pointed out the absurdities in the present wholesale sales tax system. I agree with them. It is disgraceful that no Government, Labor or Liberal, has ever come to terms with the anomalies of the system. It is a simple enough proposition. We must wipe the wholesale sales tax slate clean - it dates back to the days when people, I suspect, still wore wooden shoes - and reallocate the nominal rates on commodities according to a logical assessment of how each item should be taxed. In that process many of the aims of GST advocates could be achieved and the logical outcome, such as the maximum rate of tax applying to soap and other basic commodities, could be eliminated.

Despite its very present and obvious flaws, a wholesale tax has a clear advantage over a retail tax in a pure taxation setting. A retail tax is essentially what the GST is. Apart from a wholesale tax being collected at a fraction of the number of points that a GST must be collected at, it avoids much of the compliance costs of a GST, which are horrendous. I invite members to look at the British figures which have been published on the compliance costs of the GST. They are absolutely horrendous. Compliance costs are vastly reduced if there are no exemptions and a single rate, which is one of the reasons I advocate that.

Hon E.J. Charlton: Wholesale tax is very expensive.

Hon KIM CHANCE: I agree that wholesale tax is very expensive; I have no doubt about that. However, in spite of that, wholesale tax is more flexible because it can be targeted at different commodities at different rates. Because wholesale tax is collected only at a small number of points, compliance costs, while high, are nowhere near the compliance costs of a GST.

Hon Muriel Patterson: Except to the business person.

Hon KIM CHANCE: It is the business people in Britain who suffer most from the application of the value added tax because business people became tax collectors. Business people in the retail sector are generally not all that disadvantaged under the wholesale tax system unless they are dealing with an unusual combination.

Hon Muriel Patterson: They would be carrying goods on which they had already paid tax.

Hon KIM CHANCE: Yes, there are anomalies galore. One of the anomalies - and one that I wrote about to Mr Cairns when he was Federal Treasurer - concerned section 51 of the Constitution relating to equal taxation between the States. In this State we pay sales tax on a freight component on commodities which are shipped.

[Leave granted for the member's time to be extended.]

Hon KIM CHANCE: I am grateful to members and I will not abuse the extension. If the clock can start running, I will keep an eye on it.

Hon Simon O'Brien: We will help you use up the 15 minutes.

Hon B.K. Donaldson: Do I get the same treatment tomorrow?

Hon KIM CHANCE: From me, always; the member knows that.

Hon Bob Thomas: We will give you kid gloves tomorrow.

The PRESIDENT: Order!

Hon KIM CHANCE: Mr President, we need to address those anomalies. One of the additional anomalies is for country people, who will have to pay sales tax on the freight component of the goods. If the goods are invoiced in Perth and shipped to Meekatharra, the sales tax is paid on the Meekatharra retail price, which includes the freight. Therefore, sales tax has to be paid on the freight component as well unless the goods can be invoiced from the Perth office and then have the freight paid as a separate component. That is a matter that I wrote about to the Federal Treasurer many years ago. I got absolutely nowhere. Other people have written since. It is because I made application under, I think, section 51 of the Constitution which deals with equal taxation between States.

We do need an overhaul of the tax system. It is not a difficult thing to do. I have speculated that after having looked at the sales tax schedule, two or three experienced people with Treasury resources available to them could probably complete the task within a few days. It is no more difficult than that. It is simply a matter of reallocating, according to some notional qualitative measure, and arriving at a logical outcome. We take out soap and leave cosmetics in the luxury goods bracket.

Hon E.J. Charlton: Do you have any support in the Labor Party for that initiative?

Hon KIM CHANCE: It has not been done yet and we were in government for 13 years. It would sound silly if I said, "My colleagues will do it the day after we are elected." However, it is a message which needs selling.

Hon Ray Halligan: May I ask if after only two days you would cause this to be cost neutral?

Hon KIM CHANCE: Would the member appoint me Prime Minister if I could do that? Relative neutrality is a good question. After making that notional allocation - and this is why Treasury's computers would be necessary - the revenue yield could be run off from that notional allocation. The figure raised currently from wholesale tax is, I think, \$46b. If the target were \$46b - that is, revenue neutral - and the figure of \$41b were produced - \$5b short - there would have to be an increase by 5 or 6 across the scale. The result might be that soap, having been allocated into a 5 per cent group, as a result of having to raise the extra \$5b would go from 5 per cent to 6.75 per cent. However, it is out of the 25 per cent, so that the notional allocation retains its relevance across the board. Yes, it could be done in a revenue neutral manner but, given the grasping sods that the Federal Government are, it is unlikely that we will get it. It is possible and no more difficult to do than applying revenue neutrality across the GST system.

Hon B.K. Donaldson: Does the idea of everybody getting \$1 500 worth of deductions without justification and anybody having more than \$1 500 having to supply the necessary information to get greater deductions sound like a good idea?

Hon KIM CHANCE: I have not given that a lot of thought but it does sound like a good idea. I am not a taxation expert. I am making comparisons only between wholesale tax and a GST. People ought to consider a GST because it is not a magic bullet and too often it is presented as such. The narrowing gap that I have referred to between the working core and welfare recipients is not something that we are going to correct simply by rejecting the GST. That alone will not correct the problem, because it is slowly eating away at people's will and their incentive to work.

The Labour Government in Britain has adopted a tax credit system which is constructed to ensure that as far as possible people will always be rewarded for making an effort to work. The system forms the basis of the Australian Labor Party's tax reform package and, like everyone else, I look forward to the time when we can scrutinise that proposal in detail. I have no detailed knowledge of it. However, I understand that the system is working well in the United Kingdom already, and people have told me that it holds promise for application in Australia. I certainly hope so.

Although I am critical of the proposed application of a GST, I have always welcomed the debate it has generated, because it has caused people to think about the need for tax reform. I do not reject the concept out of hand; I remain to be convinced that a GST has a place. We already have a form of GST in Australia, and that has been part of our taxation matrix for many years. In its current form in the wholesale tax it is riddled with inconsistency and it is in desperate need of reform. All that I ask is that the forthcoming debate contain some honesty about the outcomes of

the GST and some clear delineation of who will win and who will lose from its introduction. I close on that point, although I would like to raise a number of other issues. I thank members for their courtesy.

Debate adjourned to a later stage, on motion by Hon Muriel Patterson.

[Continued on page 3614.]

## **GOVERNMENT RAILWAYS (ACCESS) BILL**

### *Introduction and First Reading*

Bill introduced, on motion by Hon E.J. Charlton (Minister for Transport), and read a first time.

### *Second Reading*

**HON E.J. CHARLTON** (Agricultural - Minister for Transport) [9.03 pm]: I move -

That the Bill be now read a second time.

Members will be aware that one element of the competition policy reform package adopted by the Council of Australian Governments is a national "access" regime for essential infrastructure such as gas pipelines, electricity transmission grids and railway lines.

The national access regime is contained in Part IIIA of the Trade Practices Act and sets out the conditions under which businesses have a right of access to certain infrastructure services that cannot be economically duplicated. Two central features of the regime are -

It allows for infrastructure meeting certain criteria to be "declared". This can lead to the Australian Competition and Consumer Commission setting terms and conditions of access.

It allows the National Competition Council to assess whether a state or territory access regime is "effective". If a regime is certified by the Commonwealth Treasurer as effective, it cannot be declared, thereby removing the possibility of intervention by the Australian Competition and Consumer Commission.

From the State's perspective, by ensuring that access to government-owned infrastructure is determined within Western Australia, rather than by the Australian Competition and Consumer Commission, the Government has the greatest opportunity to influence the nature of the regime. For this reason, it is highly desirable that an effective access regime be developed for at least those parts of the rail network which potentially fall within the ambit of the national access regime.

Western Australia has led the way in Australia in opening up its rail network to competition from road transport and the benefits of this are widely recognised. The competition has brought about great improvements in rail efficiency. The benefits for Western Australia have been lower freight rates and a profitable Westrail ceasing to be a burden on the taxpayer. Grain freight rates, for example, have more than halved since grain transport was deregulated.

The Government's transport policy recognises the need to take rail transport competition to the next level by opening up the rail system to new service providers. Third party access promotes competition, which in turn will encourage the rail operators to provide best practice services to customers.

Already the Government Railways Amendment Act of 1996 has enabled Westrail, with the approval of the Minister for Transport, to enter into access agreements under section 61 in the Government Railways Act. As a result of the 1996 amendment to the Government Railways Act, and the National Rail Corporation Agreement Act, currently four interstate operators - National Rail Corporation, Toll Rail, Specialised Container Transport and Great Southern Railway - are using the interstate track under individual access arrangements with Westrail. However, this has not prevented applications for declaration of parts of the Westrail network, nor have the current arrangements provided a framework where the rail operators can negotiate access with the infrastructure owner on transparently equal terms.

As the owner of rail tracks which cannot be readily duplicated, Westrail has considerable market power in access negotiations. Increasingly, there is a need for the State to establish an access regime to govern the negotiation of access to the rail network and a regulator to oversee this process.

The regime being proposed consists of a code to provide a right of access through this process and legislation giving legal force to the code. To be considered effective, the regime will need to incorporate a legally enforceable right to negotiate access and an independent dispute resolution process. It is also necessary to establish a regulator to ensure the regime operates effectively.

Because there is no overarching regulatory authority for such matters in Western Australia, as there is in some other

States, the Director General of Transport is to act as regulator of the rail access regime. The director general will not be subject to the direction of the Minister for Transport in fulfilling this role.

The Government Railways (Access) Bill is based on Westrail continuing as an integrated rail services provider. The legislation will -

- provide for the establishment of a rail access code to govern the use of government railways for rail operations by persons other than Westrail;

- designate a regulator with monitoring and enforcing functions relating to the implementation of the code;

- specify the kind of administrative arrangements that Westrail is to have in place for the purposes of that implementation;

- amend the National Rail Corporation Agreement Act 1992 to enable National Rail to compete for intrastate services on equal footing with other operators; and

- consequently amend the WA Government Railways Act 1904 to remove existing barriers to competition.

The code, which will be subsidiary legislation to the Act, will -

- establish the parts of the railway network and associated infrastructure opened to access;

- outline the process and procedures to negotiate access, including avenues for dispute resolution;

- specify the matters to be considered in access agreements;

- identify the information requirements of the regulator; and

- outline the pricing principles to be applied in determining prices to be paid for access.

It will be a matter of state policy as to which parts of the network the regime will be applied. However, the application of the code to the railways network and associated railway infrastructure is currently proposed to be -

- the standard gauge line between Kalgoorlie and Kwinana;

- the standard gauge line between Kalgoorlie and Leonora;

- the standard gauge line between Kalgoorlie and Esperance;

- the narrow gauge line between Kwinana and Bunbury, including the spur lines serving the alumina industry; and

- the railway lines between Cockburn and North Fremantle.

To add new or to delete existing routes under the code, the Minister for Transport will have to consider all of the following and be satisfied that each is answered in the affirmative -

- access will promote competition in at least one market, other than the market for railway services;

- it would be uneconomical to establish another railway on the route;

- the route is of significance - length, importance to trade, commerce or the economy;

- access can be provided without undue risk to human health or safety;

- there is not already effective access to the route; and

- access would not be contrary to the public interest.

Members will be able to obtain a copy of the draft code from my office for reference and information.

Under the regime, Westrail, as the owner of the railway infrastructure, is obliged to undertake the following actions -

- segregate access related functions from its other functions;

- provide preliminary information to interested parties;

- inform interested parties as to when a draft access agreement will be ready for consideration;

- negotiate access subject to interested parties meeting certain requirements;

- jointly fix a negotiation period; and

- refer disputes to mediation and/or arbitration.

Westrail must provide a copy of an access agreement to the regulator as soon as practicable after an agreement is entered into.

The Director General of Transport, as the regulator, is to record the following information pertaining to access agreements and determinations resulting from an arbitration process in a register: Whether it is an agreement or a determination; the names of the parties involved; the railway and railway infrastructure to which it relates; the day on which it was entered into or made; and the period for which it will be in force. This register will be available for public inspection during office hours. Key features of the regime's arbitration process are that -

- (1) the regulator will establish a panel of arbitrators on the recommendation of the Chairman of the WA Chapter of the Institute of Arbitrators Australia;
- (2) the regulator cannot be an arbitrator;
- (3) arbitration of disputes will be under the Commercial Arbitration Act;
- (4) the arbitrator will give effect to the Act and code, relevant sections of the competition principles agreement and any other matter that is considered relevant;
- (5) determination cannot be inconsistent with the Rail Safety Act; and
- (6) determination will be binding, subject to part V of the Commercial Arbitration Act.

The benefits to Western Australia from on-rail competition will be maximised by quality operators seeking access. It is also unlikely that any regime would be considered "effective" if discriminatory barriers existed to any particular operator seeking access.

The National Rail Corporation is the largest carrier of freight into and out of Western Australia, and it carried some 2 million tonnes in total in 1996-97. The company has signalled its intention to seek access to intrastate operations in Western Australia, but currently has barriers to entry posed by both the Constitution and its memorandum of association.

The constitutional problem arises by way of the Commonwealth's partial ownership of the National Rail Corporation. This is overcome by a simple amendment to the State's National Rail Corporation Agreement Act to refer to the Commonwealth the power to hold shares in a company engaging in intrastate rail services. This has already been done in New South Wales and Victoria. There is no loss of power to Western Australia in making this referral.

It is the intention of the Premier to seek an effectiveness certification of this state rail access regime under section 44m of the Trade Practices Act 1974. The National Competition Council will seek public comments as part of its review. If discussions and negotiations are successful, the National Competition Council will recommend certification of the state regime to the commonwealth Treasurer. However, the Government Railways (Access) Bill must have completed passage through Parliament before the National Competition Council will recommend certification.

To allow for any legislative changes by the National Competition Council, the draft Bill provides for the amendments to the National Rail Corporation Act to come into operation on the day the Bill receives royal assent, and the rest of the Bill will come into operation on a day to be fixed by proclamation. Should there be any future changes to the ownership of Westrail, it is envisaged this will require changes to the Act and code.

In signing the intergovernmental competition policy agreements in 1995, the Government endorsed the view that improvements in the competitiveness of the State's economy will improve economic efficiency and enhance overall community welfare for Western Australia. The competition principles agreement establishes the principles agreed by the States in relation to review of anti-competitive legislation and regulation, third party access to essential infrastructure facilities and the elimination of any net competitive advantage possessed by government businesses.

The Government Railways (Access) Bill has comprehensively addressed the Government's commitment towards these principles with regard to the operation of Westrail. While the focus has been on increased competition on the government railway network, consideration has also been given to competition that might be inconsistent with the weighting placed by the community on particular social objectives.

The Government believes the Government Railways (Access) Bill, together with the code, will deliver an effective access regime for the Western Australian government rail network. I commend this Bill to the House and table an explanatory memorandum. [See paper No 1677.]

Debate adjourned, on motion by Hon Bob Thomas.

**ESTIMATES OF REVENUE AND EXPENDITURE***Consideration of Tabled Papers*

Resumed from an earlier stage of the sitting.

**HON NORM KELLY** (East Metropolitan) [9.15 pm]: I take this opportunity to talk about an issue which has become quite important to people in my electorate and also to the wider community in the area of mental health care in this State. On 10 March this year the Minister for Health announced plans to close the psychiatric health care unit at Whitby Falls Hostel by December next year. This decision is said to be part of the Government's plan to decentralise services and its commitment to providing mental health treatment in the community. It is also part of the de-institutionalisation of mental health patients in this State.

Last week in the estimates committee hearings we were assured by Professor George Lipton, who is head of mental health services in the Health Department, that there was no need for patients to be concerned about being suddenly evicted from the Whitby Falls Hostel. He said that adequate provisions would be made for people with high support needs if the outcome of the review currently being undertaken were that Whitby Falls Hostel would be closed. There seems to be conflicting information, firstly, from the Minister for Health, in his statement that the hostel definitely will close and, secondly, from the mental health services director who said that a final decision has not been made at this stage.

Over the past few years the Government has gone through a process of de-institutionalising supported accommodation services for people with mental illness, and it has moved provision of accommodation from a hostel setting to a general community setting. However, the current move to this community based care may not adequately address the needs and concerns of a small, but significant, number of people with long term, treatment-resistant, mental illness. There has been systematic closure of mental health facilities, without consideration being given to those people with care needs on a long term basis. All too often, community based care for these individuals means not enough care and minimal community integration. Even though they are removed from institutions into the wider community, there are not adequate support services to allow them to become part of the community. Vulnerable individuals, a high proportion of whom may have no experience of living on their own, may not be provided with levels of care appropriate to their needs. Instead of becoming part of the community, they may become even more isolated and live a more lonely life than that they experienced in an institution. An associated part of this is that the families of these individuals are placed under greater strain in caring for these people.

The Government has attempted to provide this community based support and accommodation service through the community disability housing program. Under this program Homeswest leases housing stock to a community agency to manage and implement the independent living program. The program is financed by the mental health division, and it provides a living skills support worker who calls on the individual frequently to give support services that enable the individual to live in the community. I admit that the service has been quite successful for some people, but it does not meet the needs of people with higher support needs.

It has already been shown that they do not have enough support dollars to cover the actual living skills support needs, and therefore those people who have supposedly been integrated into the community are becoming isolated within that community. Loneliness is a very big problem. People become very reliant on their support worker, not only for their living skills support, but also for their company and social needs. Due to their mental illness, they are not able to relate to others in the localised community setting. Despite this project being a focus for achieving community care for people who in the past have been institutionalised, a reduction from 70 to 60 units of supported accommodation has occurred together with a loss of a special allocation of 20 to 30 units of support in the event of a sudden closure of facilities during the 1998-99 round of allocations for these programs.

While the suggestion is made that the closure of Whitby Falls Hostel will happen in the next year or so, we are also removing the allocation of emergency units to take up those people who would be kicked out of Whitby Falls in such a situation. Even with the maximum amount of support available, a small number of people will be unable to cope with living in a community and will need more intensive care. That number is estimated to be 100 to 150 people in Western Australia. It is a small number of people that we are talking about; however, it is a significant number, especially when one considers the impact that those individuals then have on their families who have to cope with supporting those individuals. Research has shown that stability in accommodation over a period of several years is a key factor in enabling people with psychiatric disabilities to remain in a well condition. Any insecurities that are brought about by a change in their location is often experienced in these community settings and is to the detriment of their health. It should be recognised that the target group for Whitby Falls is that group of people who have the highest level of support needs. They are generally regarded as people who cannot live in the community and cannot be employed. Therefore, we are looking at a serious level of illness that does not allow the people to cope with integration into a wider community setting.



The Whitby Falls Hostel site was originally a farm property in the last century. A mental health facility was first established on the site in 1897. The farm property was modified to care for male psychiatric patients. In those days many patients were certified under the Lunacy Act, which later became the Mental Health Act. In 1971 the unit was renamed the Whitby Falls Hostel and it ceased to be approved under the Mental Health Act, which means that all residents at the hostel are voluntary residents; they are free to come and go as they please. When I visited the hostel, I could see that it is not an asylum-type setting with bars or locks. The residents regularly go to the local shops and mix with the local community in quite a good way. The Whitby Falls Hostel site is set on 486 hectares, which is quite a substantial area of land. It is about 15 or 20 kilometres south of Armadale. It has a capacity to accommodate 50 residents and it currently has approximately 30 to 35 residents. I have asked some questions in this place about its collection area. It has a collection area of the entire State, so people can be recommended from any region in the State to this facility. One of the problems is that because of the question mark over its future, a decreasing number of referrals is being made because psychiatrists are not willing to refer patients to that facility for fear of a necessary relocation at a later stage. The programs offered at the centre have been designed to empower the residents to maximise their chances of being integrated into a wider community and to be successful at that. Some will never get to that stage, but there appear to be great programs at this location to maximise the potential of that occurring. In 1995 a review was done of the Whitby Falls site. The Cameron Stanton report commented on its viability, strengths and weaknesses. One of the major strengths identified by that report was the semi rural location, which provides a safe, peaceful environment in which a number of long term mentally ill people can live, people who may be unable to cope with living in the city. This has sometimes been regarded as a criticism of the site because its semi rural location isolates people. What can be seen as its weakness can also be seen very much as its strength. Another strength identified by the report was that residents, staff and programs are well accepted into the local community; they contribute to groups such as the local bushfire brigade and provide trees to the local council and other organisations. The local Shire of Serpentine-Jarrahdale is a recipient of thousands of seedlings and plants that have been propagated by the residents of the hostel. The residents then go out and help shire workers to plant those trees and this helps in the integration of those residents with the local community. The hostel provides residents with a good range of farm and horticultural activities. In years gone by, the hostel would provide the fruit and vegetable needs of all the mental health institutions in the Perth metropolitan area. This was a good way of resourcing those other institutions and it is still a very good way of doing it. Due to the Financial Administration and Audit Act, if the hostel now wanted to sell the produce that it could create, the revenue from those sales would go into the consolidated fund. There is no incentive to develop a larger and more substantial farm work ethic because they do not get direct benefits from the work that they put in. It is unfortunate because a potential exists for a great expansion of the facility they have as a working farm. They have a whole variety of animals and they have a good long history of cattle breeding as well. They have been regular winners at the local Harvey show over the years.

Hon Muriel Patterson: They also have students who come out to the farm for horticulture and husbandry experience.

Hon NORM KELLY: That good integration exists. They also have a lot of high school and primary school students who come out. It is a good experience for those students of working farm life, but it is also a good experience for them to get to understand people with mental illnesses. It can break down a lot of the preconceptions that children have about others with mental illnesses. It is very much a win-win situation; it benefits the residents of the hostel and the students visiting the hostel.

The Cameron Stanton report identified several weaknesses: The buildings and facilities were substandard, no provision was available for women patients, and other weaknesses.

The role of Whitby Falls in the continuum of mental health services is currently unclear. The program, quality and diversity is affected by staff limitations. These criticisms, based on assessing the few residents at the hostel who have intellectual rather than mental health disabilities, have been put forward as arguments for the closure of the hostel. As such, the Government has said that the hostel must be closed, rather than asking how the weaknesses in the facility can be corrected. It seems as though the Government may be taking the supposed easy option of closure of the hostel in this instance.

Hon Simon O'Brien: In answer to a question during the Estimates Committee, Professor George Lipton indicated that it was not necessarily the case that closure would proceed and, in fact, in the short to medium term, the operations would be normal while options, including closure, were examined.

Hon NORM KELLY: As I said earlier, there seem to be conflicting messages coming from Professor Lipton and the media release from the Minister for Health in which he stated that the hostel would be closed by the end of next year. Although I was partially reassured by what Professor Lipton said during the Estimates Committee, when it comes to who will make the decision, I am very concerned about the comments by the Minister.

Hon Simon O'Brien: I appreciate the point that there is uncertainty. That is very clear.

Hon NORM KELLY: For people with these illnesses and their family members it creates huge concerns. I suppose it would be far easier - I would not recommend this - for the Minister for Health to make a categorical statement about the future of the hostel, rather than leaving these people in limbo over the next year or so. Professor Lipton said that assessments must be made of each of the residents at the hostel, to determine those who can easily be integrated into the wider community. We must also look at the future of those who cannot be. Are we looking at the option of sending those people into a more strictly enforced institution, such as the one at Graylands? Although some may be integrated in the community, it may have the reverse effect on the more seriously ill patients by putting them into a secure, lockup situation. For those residents, it would be a backward step. As I said earlier, people can come and go freely at this facility; they are voluntary residents. Recommendation 2 of the report states -

A portion of the land be sold and that 400 acres be retained for a semi-rural mental health facility for seriously mentally ill people and that the proceeds of the sale be used for the redevelopment of services to be provided at Whitby Falls . . .

Another recommendation is that domestic style accommodation be built on the Whitby Falls site, together with a central recreation facility site; that is, a general upgrading of the current facilities. It is further recommended that two houses occupied by staff be used for respite care and be managed by a non-government organisation. There is a need for facilities for respite care. In most cases family members are caring for the person with a mental illness. Having this facility would provide an opportunity for the person with the disability to be placed in respite care, which would give the carers a break and allow them to recharge their batteries. For most of the time the stress on the carers takes place over 24 hours every day. There are obvious benefits in giving the carers some respite.

When I inspected the hostel, I had a feeling that I was looking at a 1950s health facility. I do not think there have been many changes to it since then. Some very hardworking, dedicated people are involved with the facility, such as Peter May, the director. He is doing the best he can within a limited budget. Because of the question mark over the facility, very limited funds are going towards it for any improvements. As I said, the staff members are very hardworking and dedicated and they do a marvellous job.

The report also recommends that a mechanism be developed to enable produce to be directed back to the maintenance and development of the Whitby Falls farm and to pay residents for work undertaken. As I was saying earlier, it would be great if the Whitby Falls facility could be developed more as a working farm and for the profits from that work to be reinvested in upgrading the facility, bringing it up to a standard acceptable in the 1990s. The report recommends that a search be undertaken to identify non-government organisations with the potential to manage Whitby Falls farm and a mental health service, with a view to tendering out the management of the facility. We agree that although the Government should have the overall responsibility for it, there is an avenue for NGOs to come in and take over the management of the facility.

Recommendation 20 states -

Domestic style of accommodation be provided in the metropolitan area for men and women who have chronic psychoses and behavioural disturbances who have not been able to manage in the community with support and who are likely to have had numerous admissions to hospital. An appropriate level of security and supervision and intensive support will be provided to the residents. Accommodation be seen as providing a long term home.

We must remember that it is a male only facility, which is one of its major shortcomings. It is a male only facility for largely historical reasons, which could be easily remedied by a few changes to the living quarters there. There is no reason it cannot be upgraded to cater for both male and female residents. Recommendation 23 states -

Planning be undertaken to enable younger people (18-35) with severe mental illness to be accommodated, supported and rehabilitated through community psychiatric programs.

As I said before, there is a good deal of integration between patients and the wider community in the area. With an upgrading of these facilities and more commitment to a slight increase in the number of staff at the facility, that integration would increase.

I now raise the question of where we are going with mental health and the care of those with mental illnesses. Over the past few decades there has been a trend to get people out of institutions and into the wider community. Generally that has been seen to be a good thing. This trend is for people in traditional asylums to have a more integrated way of living. Although we are not talking about an asylum situation here, it is a small open door residence to which patients can come and go. It is not a lockup situation, and there is no need for it to become one.

I draw attention to what has happened in the United Kingdom this year in this area. I have with me a few newspaper articles from England about what the Blair Government is doing. They show that this trend away from institutions

is turning back, and people are now returning to those sorts of facilities. One of the newspaper articles, which refers to this change, states -

This will mean the recall into residential care of some people now living in unsupervised units.

A recent report found that a murder is committed about every two weeks by mental patients and about 1,000 commit suicide each year.

. . . Mr Dobson said the care in the community programme started by the Conservatives had failed and led to the deaths of innocent people.

. . . Mr Dobson said ministers would then draw up proposals to build new homes or convert old buildings into care centres for psychiatric patients.

That is Whitby Falls now. The danger is that this State could lose what is a great asset for a short term fix. Another editorial from the United Kingdom states -

A sad and sorry episode in the history of British social theory is drawing to a close. The policy known as care in the community, which plucked the mentally ill out of huge Victorian asylums and sent them to live, often alone, in towns and villages, is to be reversed. Instead, Frank Dobson, the Secretary of State for Health, has announced that they will be placed in small, secure care homes.

That emphasises that the British have seen the error of their ways and have seen the need for smaller institutions, and strong support care in those institutions. I am fearful that we could go in a direction that will be costly to reverse at a later stage. We should tread carefully before we go too far. The closure of Whitby Falls and the sale of that land would be going too far at this stage. We need that style of facility. I know that the land is valuable; however, I see no reason the mentally ill of this State should not benefit from the facility on that land.

I have concerns about the way we are going. I would be less worried if I felt there was more of a commitment from this Government to provide adequate funding for these programs of integrating the mentally ill into the community. However, I have not seen that. I have been asking questions in this place to try to get some sense of security that that funding is available and that guarantees are in place. We are looking at the closure of the Milpara Residential Psychiatric Rehabilitation Service in the next few weeks, and as yet we have no guarantee of funding into the next year to provide for the care of those patients who will be leaving Milpara. When I see that occurring at the moment I am fearful of what will happen in a year's time to the patients at Whitby Falls. Their future could be that they will be thrown out into the community where they will become far more isolated because they are not able to integrate with the people around them. As a result they will become a greater strain on their families because of the far greater need for the support of their families, who are already under a degree of stress and strain having to help family members with the illness.

I am not condemning the Government for what it has done because it has not done it yet. However, I would like the Government to listen to what I am saying and to provide guarantees not only for me but for those family members and carers of the mentally ill who are seriously concerned about what lies in the future for them and the people for whom they care. Their needs are many and very important. They rank among the most vulnerable in our society because they cannot support themselves. It is important that a caring Government give that guarantee of commitment and support for those people.

Debate adjourned, on motion by Hon Simon O'Brien.

*House adjourned at 9.44 pm*

---

**QUESTIONS ON NOTICE**

Answers to questions are as supplied by the relevant Minister's office.

**COUNCIL ON THE AGEING (WA) INC - BUSINESS CASE**

1330. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Seniors:

Further to the answer given to question on notice 928 asked in the Legislative Assembly in relation to the Office of Seniors Interest Department's contract with the firm Council on the Ageing (WA) Incorporated worth approximately \$100 000 to co-ordinate Seniors Week 1997 and Seniors Week 1998, can the Minister for Seniors advise -

- (1) Was a business case conducted?
- (2) Did it include a comprehensive cost benefit analysis?
- (3) If so, what did it show?
- (4) If not, why not?
- (5) What were the identified inherent risks?
- (6) What other options were considered?
- (7) Was a due diligence check carried out on the contractor before the above contract was awarded?
- (8) If yes, did it include a check of the contractors financial background?
- (9) Who carried out the financial background check?
- (10) If the contractor is a company -
  - (a) when was the company formed;
  - (b) what is its share capitalization;
  - (c) who are the directors of the company; and
  - (d) are any of the company directors Ministers or senior public servants?

Hon E.J. CHARLTON replied:

- (1)-(2) Yes.
- (3) The best model to provide this service was to contract out the work undertaken in coordinating Seniors Week.
- (4) Not applicable.
- (5) The main identified risk was relevant levels of understanding and knowledge of seniors issues within the successful tender organisation.
- (6) The other options were to coordinate fully internally or partially contract out.
- (7) Yes.
- (8) Yes. Council on the Ageing (WA) Inc. is a 'not for profit' charitable organisation which is primarily funded through the State Government and Wesley Church and membership fees. Council on the Ageing provides externally audited financial statements to the State Government.
- (9) The Office of Seniors Interests.
- (10) Not applicable.

**POLICE FIREARMS LICENSING DECISIONS**

1407. Hon BOB THOMAS to the Attorney General representing the Minister for Police:

- (1) On how many occasions in the past two years have police firearm licensing decisions been appealed in the courts?
- (2) How many of those actions against the Police have been successful?

- (3) What was the total cost of -
- (a) police time;
  - (b) legal representation; and
  - (c) costs awarded against the Police Department for all of the successful actions?
- (4) What action does the Minister intend to take on this matter?

Hon PETER FOSS replied:

- (1) Records are not maintained by the Western Australia Police Service on appeals against firearm licensing decisions. Firearm licensing appeals cannot be isolated from any other appeals which go to court and, as appeals occur throughout the State, any records maintained would be listed in their respective jurisdictions.
- (2)-(4) Not applicable.

#### PRISONERS' FORMER EMPLOYMENT

1443. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

- (1) Approximately what percentage of male prisoners were employed full time at the time of their arrest?
- (2) Approximately what percentage of male prisoners were unemployed at the time of their arrest?

Hon PETER FOSS replied:

- (1)-(2) This information is not recorded at the time of a prisoner's admission.

#### PRISONERS' FORMER EMPLOYMENT

1444. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

- (1) Approximately what percentage of female prisoners were employed full time at the time of their arrest?
- (2) Approximately what percentage of female prisoners were unemployed at the time of their arrest?

Hon PETER FOSS replied:

- (1)-(2) This information is not recorded at the time of a prisoner's admission.

#### PRISONERS' SOBRIETY AT TIME OF ARREST

1445. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

- (1) What percentage of male prisoners were under the influence of drugs, including alcohol, at the time of their arrest?
- (2) What percentage of female prisoners were under the influence of drugs, including alcohol, at the time of their arrest?

Hon PETER FOSS replied:

- (1)-(2) These statistics are not readily available, and I am not prepared to authorise the considerable level of resources required to obtain them.

#### GARDNER MERCHANT CONTRACT

1467. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Health:

Further to the answer given to question on notice 960 in relation to the Health Department's contract with the firm Gardner Merchant worth approximately \$35m for the provision of Food services at Royal Perth Hospital, can the Minister for Health advise -

- (1) Was a due diligence check carried out on the contractor before the above contract was awarded?
- (2) If yes, did it include a check of the contractors financial background?
- (3) Who carried out the financial background check?
- (4) If the contractor is a company, when was the company formed and what is its share capitalisation?
- (5) Who are the directors of the company?

- (6) Are any of the company directors ministers or senior public servants?
- (7) Was a business case conducted?
- (8) Did it include a comprehensive cost benefit analysis?
- (9) If so, what did it show?
- (10) If not, why not?
- (11) What were the identified inherent risks?
- (12) What other options were considered?

Hon MAX EVANS replied:

- (1)-(2) Yes.
- (3) Deloitte Touche Tohmatsu, Chartered Accountants.
- (4) Formed in 1886 and came into Australia in 1966. Share capital is not known. Gardner Merchant employs 62,000 staff worldwide.
- (5) Australian Directors: F Nolan, J Knight, D Russell  
International Directors not known.
- (6) Not to the Hospital's knowledge.
- (7)-(8) Yes.
- (9) Significant financial advantages to the Hospital.
- (10) Not applicable.
- (11) Patient well being, supply lines, nutritional standards.
- (12) Other companies, in-house service.

#### COUNTRY SCHOOLS WITH TEACHER VACANCIES

1644. Hon TOM STEPHENS to the Leader of the House representing the Minister for Education:

- (1) How many schools in regional Western Australia are still awaiting the transfer of teachers to fill vacant positions?
- (2) Could the Minister for Education provide details of those schools and the teacher requirements?
- (3) What incentive is the Minister offering to encourage teachers to accept country postings?

Hon N.F. MOORE replied:

- (1) There are two vacancies in regional secondary schools and one vacancy in a regional primary school. However, the number of vacant positions in schools change daily as teachers resign, access leave entitlements and are promoted. These numbers are as at 13 May 1998.
- (2)

Geraldton Secondary College	Physical Science
Northam Senior High School	Mathematics/Science
Marvel Loch Primary School	Upper primary years
- (3) An additional allocation of \$13.9m over four years will enable the development of a comprehensive Incentive Scheme to attract and retain teachers in isolated and difficult to staff rural schools. The incentives package, which the Education Department proposes to introduce from the beginning of the 1999 school year, includes a range of incentives such as cash bonuses together with more flexible use of travel entitlements, accommodation subsidies, leave entitlements and transfer allowances.

#### OSBORNE PARK HOSPITAL, WAITING LIST

1744. Hon E.R.J. DERMER to the Minister for Finance representing the Minister for Health:

- (1) For the following categories of surgery to be performed at Osborne Park Hospital -
  - (a) urgent;
  - (b) non-urgent; and

- (c) elective,
- (i) how many people are on the waiting list; and
  - (ii) what was the waiting time for surgery as of -
    - (1a) May 1998;
    - (1b) January 1, 1998;
    - (1c) July 1, 1997;
    - (1d) January 1, 1997; and
    - (1e) July 1, 1996?
- (2) Have any people waiting for elective surgery at Osborne Park Hospital had their surgery cancelled or postponed in 1998?
- (3) If yes, how many people had their surgery cancelled or postponed in -
- (a) each month so far this year;
  - (b) 1997; and
  - (c) 1996?
- (4) How many surgical operations were performed at Osborne Park Hospital in the financial years -
- (a) 1993/94;
  - (b) 1994/95;
  - (c) 1995/96;
  - (d) 1996/97;
  - (e) 1997/98,
- and have been budgeted for in 1998/99?
- (3) How much money was allocated for elective surgery at Osborne Park Hospital in the financial years -
- (a) 1993/94;
  - (b) 1994/95;
  - (c) 1995/96;
  - (d) 1996/97;
  - (e) 1997/98,
- and has been budgeted for in 1998/99?

Hon MAX EVANS replied:

- (1) (a) 3.
- (b) 50.
- (c) 1501.
- (c) (i) 1554 as at May 1998.
- (ii) Waiting times range from 2 days to 1188 days. Range of waiting times will vary according to medical specialty. Osborne Park Hospital has only commenced maintaining and defining the waiting list information since January 1998, thus any other waiting list information is not available.
- (2) Yes.
- (3) (a) Monthly information not available. From 1 January 1998 to 22 May 1998 cancelled surgical cases amounted to 83 mainly due to industrial action.
- (b)-(c) This information is not available.
- (4) (a) 1993/94 4543
- (b) 1994/95 4871
- (c) 1995/96 5457
- (d) 1996/97 5821
- (e) 1997/98 Not completed as yet.

The purchasing allocation budget for 1998/99 will not be finalised till 30 June 1998.

- (5) Accounting systems available to Osborne Park Hospital do not allow the identification of the funds allocated or spent on elective surgery over the years requested. The budget and costs for Osborne Park Hospital were pooled into a single figure.

MINERAL EXPLORATION EXPENDITURE, PRIVATE

1783. Hon TOM STEPHENS to the Minister for Mines:

- (1) What was the amount of private mineral exploration expenditure in Western Australia for 1996/97, excluding petroleum?
- (2) What is the projected private mineral exploration expenditure, excluding petroleum, for 1997/98?

Hon N.F. MOORE replied:

- (1) \$691.7m.
- (2) \$656m.

QUESTIONS WITHOUT NOTICE

GOODS AND SERVICES TAX

*Research and Submissions to Commonwealth*

**1638. Hon TOM STEPHENS to the Minister for Finance:**

- (1) Has the Government undertaken research on the impact of a goods and services tax on the State or made any submissions or comments to the Commonwealth on the introduction of a GST?
- (2) What are the main findings of that research and those submissions?
- (3) Will the Minister provide a copy of the material to the House?

**Hon MAX EVANS replied:**

- (1)-(3) As the Premier reported on the weekend in response to comments by Dr Geoffrey Gallop, Treasury has been doing some work on what may be the effects of the GST. Nothing can be implemented until we know the rate. We could work out a hypothetical financial model. However, it is pointless forecasting a scenario on the effects of the GST based on hypothetical information.

Hon Bob Thomas: What is Treasury doing?

The PRESIDENT: Order!

Hon MAX EVANS: It is preparing models in anticipation of being advised of the rates. As at the weekend that had been handed to neither me nor the Premier.

GOODS AND SERVICES TAX

*Rate Increase*

**1639. Hon TOM STEPHENS to the Minister for Finance:**

Will the Minister please ensure that departmental officials undertaking this research are aware that when a GST was introduced in other jurisdictions the initial percentage dramatically increased; for instance, in New Zealand from 10 percent to 12.5 per cent and in Britain from 10 per cent to 17.5 per cent.

*Point of Order*

Hon PETER FOSS: This is question time, not statement time.

Hon Tom Stephens: That is the President's job.

The PRESIDENT: Order! It is my job to decide whether questions are in order. However, as part of the process, members are able to raise points of order when they believe something is out of order. The Attorney General is right. When the Leader of the Opposition began making a statement towards the end of his question, he was out of order.



I am glad he was stopped because it shows other members that they should not make statements. I refer again to Standing Order No 140, which clearly no-one bothered to read after I suggested it yesterday. I invite the Minister for Finance to answer the question, but not the part of it that was a statement.

*Questions Without Notice Resumed*

**Hon MAX EVANS replied:**

I took note of what the member said.

**OLD SWAN BREWERY SITE**

*Residential Restrictions*

**1640. Hon HELEN HODGSON to the Minister representing the Minister for Works:**

- (1) Under the contract, including any variations, with Bluegate Nominees in respect of the Swan Brewery site, are there, or have there ever been, any restrictions regarding the use of the site for residential purposes?
- (2) If so, what are the restrictions and do they currently apply?

**Hon MAX EVANS replied:**

- (1)-(2) The Swan Brewery lease was entered into in 1992 by the previous Government. Subsequent variations include "approved plans" which do not incorporate residential accommodation. The lease permits change to a number of specific uses including residential after obtaining the approval of the relevant authorities.

**GOODS AND SERVICES TAX**

*Legal Services*

**1641. Hon N.D. GRIFFITHS to the Attorney General:**

- (1) What assessment has the Attorney General had undertaken on the impact of a GST on the cost and delivery of legal services?
- (2) What representations has he made to his federal counterpart to ensure that the price of legal services will not rise as a result of the imposition of a GST?

**Hon PETER FOSS replied:**

- (1)-(2) This is speculation. The member should realise that vast variations can occur according to the GST model. He should be aware that a GST may have a highly beneficial effect. However, it depends on how it is implemented and what the rate is.

**DOMBAKUP 24 FOREST COUPE**

**1642. Hon MURIEL PATTERSON to the Minister representing the Minister for the Environment:**

A member for East Metropolitan Region, Hon Norman Kelly, stated in this House last night that Northcliffe would be adversely affected by logging of an area of forest known as Dombakup 24 forest coupe. He also claimed that the Department of Conservation and Land Management had damaged a known Aboriginal archeological site. Will the Minister comment on those claims?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

The current regional forest agreement process has closely examined the dependence of south west towns on the timber industry and in particular taken note of the sensitivity to change in the timber industry of a number of key towns.

The public consultation paper that was recently released shows that sawmilling industry employees average 39 years of age. Sixty-seven per cent are homeowners or paying off their homes and have lived in their towns for an average of 19 years and worked in the industry for an average of 14 years. They therefore have a major stabilising effect on the economies of many south west towns.

The report showed that Manjimup, Deanmill, Greenbushes, Northcliffe, Pemberton and Yarloop would be most affected by any change in the timber industry. Northcliffe already has 22 per cent unemployment. Thirty-eight per

cent of the Northcliffe work force is employed in the timber industry. It is clear that the future of this community will be significantly affected by any reductions in the timber industry.

Regarding the alleged impact on a significant Aboriginal site by a road to a Dombakup forest coupe, the House was informed yesterday that CALM had publicly advertised its intention to construct a road to this area of forest over three months in 1998. Neighbours were informed of the department's intentions.

Formal registers of Aboriginal heritage sites are maintained to ensure their protection. The department consulted its maps of such sites and these did not disclose any site in the vicinity of the forest being roaded or harvested. CALM has consulted today with the Aboriginal Affairs Department, which has confirmed that its maps are correct. That is, no Aboriginal site is registered in the location of the road.

CALM was informed about an unregistered Aboriginal site after the road construction and has engaged an archaeologist to provide advice on this site and is also consulting with the Manjimup Aboriginal Corporation and the Aboriginal Affairs Department to ensure that appropriate protection measures are taken.

It is disappointing to note that according to today's report in *The West Australian* the site was well known to locals and apparently, from his speech yesterday, was well known to the member, yet no-one had notified CALM or taken steps to enter the site correctly on the appropriate register.

CALM will proceed to harvest Dombakup forest coupe 24 to ensure that vital regional employment in the south west is maintained but will ensure that all necessary action to protect the Aboriginal site is undertaken.

*Point of Order*

Hon NORM KELLY: I was informed that the Minister for the Environment is not available for answering questions today. I am curious to know how other members can ask questions of the Minister when members on this side of the House are unable to do so.

The PRESIDENT: Order! I am not aware whether the Minister for the Environment is available to answer questions today. However, the Minister for the Environment does not sit in this House. The person representing the Minister is the Minister for Finance. If administratively Hon Norm Kelly has been told that some of his questions cannot be answered for certain reasons and other members seem to be able to get theirs answered for obviously other reasons, he should take it up with either the Minister representing the Minister for the Environment in this House or the administrators of whichever department he is referring to.

*Questions Without Notice Resumed*

PORT KENNEDY

*Permanent Residential Development*

**1643. Hon J.A. SCOTT to the Attorney General representing the Minister for Planning:**

Some notice of this question has been given.

- (1) Is the Minister aware that the developers of Port Kennedy Resorts have applied to the Rockingham City Council to change part of the stage 1 development area at Port Kennedy from resort dwelling to permanent residential?
- (2) Does this comply with the requirements of the agreement Act?
- (3) If not, does the Minister intend to amend the Act to allow permanent residential development to occur?
- (3) If not, what action will the Minister take to ensure that the original intention of the Act is complied with?

**Hon PETER FOSS replied:**

I assume that whenever the member referred to "the Minister", he was referring to the Minister whom I represent rather than to me. On that basis, the answer is -

- (1)-(3) No, the Minister is not aware of any such application to the City of Rockingham. The land to which the member refers is land which has been granted to the company as freehold land in accordance with clause 10 of the Port Kennedy development project agreement. There are no limitations imposed on the use of that land by the agreement. However, in giving planning consent to the development of holiday units on the land, both the Western Australian Planning Commission and the City of Rockingham have imposed conditions limiting the use of those units to short term holiday accommodation. In the circumstance, there is no need to amend the Act.

GOODS AND SERVICES TAX

*Public Transport Sector*

**1644. Hon LJILJANNA RAVLICH to the Minister for Transport:**

- (1) Does the Minister support a GST in the public transport sector?
- (2) Has any assessment been undertaken by the Minister or his department to establish the impact of a GST on the public transport system?
- (3) If yes, what did it show?
- (4) If not, why not?

**Hon E.J. CHARLTON replied:**

(1)-(4) The problem for the Labor Party -

Hon Ljiljanna Ravlich: Just answer the question.

Hon Simon O'Brien: I want to hear about the problems of the Labor Party.

Hon Tom Stephens: Just answer the question!

The PRESIDENT: Order! Those members who would love to do my job might get an opportunity at some stage. However, until then -

Hon Ljiljanna Ravlich: Is that a promise?

The PRESIDENT: The member will get an opportunity; whether she gets the job is another matter.

Hon E.J. CHARLTON: I would love to be able to give a full assessment of the problems of the Labor Party, but it has been correctly pointed out that that would take too long.

Several members interjected.

Hon E.J. CHARLTON: We are on this side of the Chamber and members opposite are not.

Hon E.R.J. Dermer: Not for long.

Hon E.J. CHARLTON: Is Mr Halden leaving?

The Labor Party has one ambition; that is, to instil fear in every Australian so that no-one will ever support a party that proposes to change the taxation system.

Several members interjected.

Hon E.J. CHARLTON: Members opposite should tell me whether they want an informed response about a GST. The issue is how much control people will have over the money they spend and therefore the tax they pay compared with being ripped off by the current silent tax regime. Taxes are currently imposed by stealth. Under the proposed new taxation regime, people will be able to decide whether they will spend money on goods that are subject to a GST.

Under Mr Keating's leadership, and totally against his personal preference, the Labor Party very successfully opposed the GST. Now poor old Mr Beazley, who has nothing else going for him -

*Point of Order*

Hon LJILJANNA RAVLICH: I have asked four questions. They have nothing to do with Mr Keating or what the Minister thinks about the Labor Party. I want to know whether this Minister supports a GST.

The PRESIDENT: I understand the point, but there is no point of order. I cannot instruct Ministers on what words they will use or how they will answer questions. One of the reasons the Minister may not be coming to the point is that members are interjecting. When that happens, regrettably some Ministers tend to go off on a tangent and we get into other discussions. The only solution is for members not to interject. I assume the Minister is winding up his answer.

*Questions Without Notice Resumed*

Hon E.J. CHARLTON: When the tax system is totally transparent both the member who asked the question and I will be in a position to answer the question.

## WHITECREST LIMESTONE MINE

**1645. Hon GIZ WATSON to the Minister representing the Minister for the Environment:**

In respect of speleological samples collected as part of the public environmental review prepared by consultants Halpern Glick and Maunsell for Whitecrest about the proposed limestone mine on the North West Cape -

- (1) Is the Minister aware that speleological samples collected from the proposed limestone mine site are being withheld from the WA Museum for approximately 12 months despite repeated requests for their return?
- (2) Is the Minister aware that it is a requirement of the Museum's permit to speleologists that samples be sent to the Museum?
- (3) Who is withholding these samples from the Museum?
- (4) Will the Minister insist that the samples be supplied to the Museum to meet the permit requirements?
- (5) If not, why not?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) The WA Museum and the proponent have advised that a number of subterranean fauna specimens have already been lodged with the Museum, and it is understood that the remaining specimens will be lodged with the Museum within two to three weeks after the study has been completed by the proponent.
- (2) The WA Museum does not issue permits to speleologists. Hon Giz Watson may be referring to the Department of Conservation and Land Management's licence to take fauna for scientific purposes. This licence requires all specimens and material collected to be loaned, on request, to the Museum. In addition, it requires defined classes of specimens of particular taxonomic or geographic significance to be lodged with the Museum. Compliance with these conditions is required at the conclusion of the licensee's reasonable use of the specimens and material.
- (3) See (1) above.
- (4) The proponent's subterranean fauna sampling program and the conditions of CALM's licence to take fauna for scientific purposes require the proponent to lodge specimens with the WA Museum. Should the specimens not be lodged with the Museum after completion of subterranean fauna specimen study, the Minister will take appropriate action to ensure that the samples are lodged and that the conditions of environmental approval and of the CALM licence are adhered to by the proponent.
- (5) See (4) above.

## ANTI-CORRUPTION COMMISSION

*Allegations of Serious Improper Conduct Against ACC Members***1646. Hon NORM KELLY to the Leader of the House representing the Premier:**

- (1) Did the Premier receive a letter from a firm of solicitors on 19 May detailing allegations of serious improper conduct or corruption against members of the Anti-Corruption Commission?
- (2) Was the letter given to the ACC for further investigation?
- (3) Was the letter given to the Joint Standing Committee on the ACC for further investigation?
- (4) If not, why not?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) The Premier received a letter from a firm of solicitors on 19 May detailing a number of matters, none of which concerned allegations against members of the Anti-Corruption Commission.
- (2) The letter was referred to the Chairman of the ACC and the Commissioner of Police as the matters raised fall within their areas of responsibility.
- (3) No.
- (4) It was the appropriate course of action.

GOODS AND SERVICES TAX

*Housing Industry Association*

**1647. Hon JOHN HALDEN to the Minister for Finance:**

- (1) Is the Minister aware of the Housing Industry Association's opposition to a GST in the housing industry and that it estimates the price of an average house in Western Australia will go up by 8 per cent? This is based on the assumption that the GST will be levied at the rate of 10 per cent. Such an increase is likely to cause a collapse in the housing market.
- (2) Has any assessment been undertaken by the Minister or his department to establish the impact of a GST on the housing market and the effect of any collapse on state government revenue from stamp duty and land tax?
- (3) If so, what did it show?
- (4) If not, why has a study not been undertaken and will the Minister institute one immediately?

**Hon MAX EVANS replied:**

- (1)-(4) Mr President, the member is quite correct. If there was a collapse in the housing market, there would be a drop in stamp duty. During this past year, and currently, stamp duty receipts are up by 15 per cent on the previous year and we have budgeted for an increase for next year.

Members may recall that the Government of New Zealand provided a similar equation of a GST versus income tax and showed that people on pensions received increases but not those earning outside income. Income tax was equated with a GST on all products right across the community. To return to the building industry specifically, financial models are being produced. However, until the rules are laid down for a GST - whether it is going to be right across every product as in New Zealand, or part or whatever - we will not know the result and there is no point in doing much until that is known. It may or may not have an impact on the industry.

Hon John Halden: Could the Minister clarify what he meant about financial models?

Hon MAX EVANS: I understand that work is being done on the impact of the GST. On that I am adding the word "modelling". I have no guarantee. That is my assumption on what should be done on it.

Hon John Halden: When will that be available?

Hon MAX EVANS: As I said in the media at the weekend, when the Government announces how it will apply the GST the calculation can be performed. It is well known that Prime Minister Keating got the approval of the Labor Party right around Australia for bringing in a GST but at the conference that was reversed.

Hon John Halden: That was 1985 tax. Learn your history.

The PRESIDENT: Order! Minister, please do not continue until everyone finishes interjecting.

Hon MAX EVANS: Thank you, Mr President. There are questions about exemptions for food substances. We have a problem with the casino. We currently receive 15 per cent; if a GST is set at 12.5 per cent there will be a loss of revenue to this State. New Zealand has a GST on lotteries. If one takes 12.5 per cent off that, that would be a loss of \$50m.

Hon Kim Chance: This is big money.

AIRPORT, LIGHT

*North Metropolitan Area*

**1648. Hon RAY HALLIGAN to the Minister for Transport:**

My question without notice of which some notice has been given is -

- (1) What is the current position of the proposed new light airport in the north metropolitan area?
- (2) Have any land purchases been made or any land use zonal changes been made for this purpose in that area?

**Hon E.J. CHARLTON replied:**

I thank the member for some notice of this question.

- (1) In 1996 the Government, following community pressure, decided not to proceed with a second general aviation airport in the northern suburbs. On 11 June 1996, I placed an advertisement in the *Wanneroo Times* confirming the Government's decision.
- (2) No.

# GOODS AND SERVICES TAX

## *Sport and Recreational Activities*

### **1649. Hon KEN TRAVERS to the Minister for Sport and Recreation:**

- (1) Can the Minister advise the House what will be the effect of a GST on the cost of sport and recreation activities for WA families?
- (2) What will be the effect of a GST on the administrative requirements for volunteers running sport and recreation associations in WA?
- (3) If the Minister is unable to answer (1) or (2), will he undertake to commission a study to examine the effects of a GST on costs and the administrative work required as a result of a GST for voluntary sport and recreation associations?
- (4) Does the Minister support an exemption for voluntary sport and recreation activities from the effects of a GST?

### **Hon N.F. MOORE replied:**

Mr President, I do not know how many times members on the other side need to be told that no decision has been taken by anybody in respect of a GST. I, quite unashamedly, supported Fightback 1 because it was very good for Australia. It was time we had significant taxation reform in this country. Unfortunately, Mr Keating, who had originally unashamedly supported a GST -

Hon Bob Thomas: That is wrong.

The PRESIDENT: Hon Bob Thomas will come to order. I do not care whether the Minister is wrong. Hon Bob Thomas' interjecting does not help the House.

Hon Bob Thomas: Nor your disposition, Mr President!

Hon N.F. MOORE: Mr Keating supported a GST then decided, for political reasons, that he would oppose Fightback, and managed to frighten the Australian population into giving him another term - which he did not deserve. We now have the situation where Fightback 1 was not proceeded with and the current Federal Government is considering a form of GST. I do not know what it will contain.

Hon Ken Travers: Does the Minister support it?

Hon N.F. MOORE: Had the honourable member listened he would have heard me say that I supported Fightback 1.

Hon Kim Chance: What does the Minister support now?

Hon N.F. MOORE: As Mr President would know, Fightback 1 contained a wide range of tax trade-offs for a GST. I do not know whether that is going to be the basis of a new GST. When I know I will make a decision about whether to support it. I suggest to members opposite that, instead of running a scare campaign as they are doing today, they wait and hear what is proposed and then make judgments upon that. Anyone who sits opposite, like that member does, and accepts that the Australian tax system is good for this country is either a fool or ignorant - he can take his pick which.

Hon Tom Stephens: That does not make any change good.

Hon N.F. MOORE: Everybody who has five minutes to spare to think about our taxation system will agree that it is an absolute disgrace. It is a product of 13 years' meddling with the tax system by the Labor Party. It is 13 years of the Hawke and Keating Governments delivering a taxation system to this country which is regressive, repressive and against productivity and which has done nothing at all for this country's economy. He knows it and they know it.

Hon Tom Stephens: That is rubbish.

Hon Kim Chance: And against jobs.

Hon N.F. MOORE: They know it. However, for their own gross political purposes, they are seeking to use this as a scare campaign in the upcoming federal election. Mr President, this time the people of Australia will judge the system that we have now with the system that is proposed and judge it in a sensible way without falling for the scare campaigns that the Opposition wants to deliver.

If members opposite want to know what I think, I think Fightback 1 was terrific. I supported it 100 per cent. If what Mr Howard brings out is Fightback 1 again in the same form, I will support it 100 per cent again.

#### EDUCATION DEPARTMENT

##### *Redeployment of Non-teaching Staff Policy*

#### **1650. Hon HELEN HODGSON to the Leader of the House representing the Minister for Education:**

My question without notice of which some notice has been given is -

- (1) Has the Education Department a policy in respect of redeployment of non-teaching staff?
- (2) If so, under this policy could a person who was in a non-teaching position, for example, a cleaner, be transferred to a classroom position, for example to a teachers aide post?
- (3) If yes to question (1), will the Minister table a copy of this policy?

#### **Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1)-(3) I regret I do not know the answers and ask that the questions be placed on notice.

#### MURDOCH UNIVERSITY

##### *Land Lease for Commercial Development*

#### **1651. Hon CHRISTINE SHARP to the Leader of the House representing the Minister for Education:**

- (1) Is the Minister aware that Murdoch University is planning to lease part of its campus for commercial development?
- (2) Will the Government allow Murdoch University to use land that was given to it for educational purposes for commercial activities?
- (3) Is the Minister aware that Murdoch University is planning to lease part of this land to the Mobil Oil Company for a service station complex?
- (4) Does the Minister consider that it is appropriate for Murdoch University to have a service station on its campus?
- (5) Is the Minister aware that the local business community is strongly opposed to Murdoch University's plan for commercial development of its campus?

#### **Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) Yes, the Minister is aware that Murdoch University is planning to lease part of its campus for commercial development.
- (2) The Minister is advised that the Murdoch campus is a Crown grant in trust and is for the purposes of Murdoch University. The Senate of Murdoch University is the body charged with managing the land within this vesting constraint. If the Senate ensures funds generated from the lease of any part of the site are used for the purposes of the university, it is within its rights to approve such a use.
- (3) Yes.
- (4) Murdoch University informs the Minister for Education that it will use the funds from the planned commercial activities to continue to provide higher education and research.

Murdoch University has no land endowment beyond its original campus. The university has therefore decided to create its own endowment by developing a small portion of its land.

Provided the revenue gained from the lease of the site is used by and for Murdoch University and that the

core business of the university - its higher education program - is not compromised in any way, from an educational standpoint the proposed activity appears to be appropriate.

- (5) The Minister is aware that there is some local opposition to Murdoch University's plan. However, provided any lessee of the Murdoch site pays the appropriate level of remuneration and there are no unfair trading practices consequential on Murdoch's legislated situation, any development must be seen as part and parcel of any normal commercial development.

#### CORPORATE CREDIT CARDS

**1652. Hon MARK NEVILL to the Leader of the House representing the Premier:**

- (1) How many Western Australian corporate credit cards are currently issued?
- (2) Do corporate cards carry a number or endorsement which indicates to the merchant that transactions on the card are exempt from sales tax?
- (3) If a cardholder uses the card for expenditure of an unofficial or personal nature, is the cardholder obliged to inform the merchant that the purchase is not sales tax exempt?
- (4) At the time of issue to cardholders are cardholders obliged to sign an acknowledgment that unauthorised use of the card may lead to proceedings being taken against them under legislation including the Public Sector Management Act, the Financial Administration and Audit Act and the Criminal Code?
- (5) If an officer uses a corporate card for unauthorised or unofficial purposes or contrary to the Treasury's instructions, to whom must the officer report that use?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question. I am advised that -

- (1) As at November 1997 there were 5 203 corporate credit cards issued.
  - (2) Yes.
  - (3) The use of a credit card shall be for official purposes only, except for exceptional circumstances where the accountable officer or authority may approve the use of the credit card for expenditure of a personal nature. Where in exceptional circumstances an officer is permitted to use a credit card for personal use pursuant to paragraph (3) of Treasurer's Instruction 321, the onus is on that officer to inform merchants that the purchases are not for government use and consequently not sales tax exempt.
  - (4)-(5) Individual agencies are responsible for the establishment and promulgation of appropriate procedures governing the use of corporate credit cards.
-