



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

THIRTY-FIFTH PARLIAMENT  
FIRST SESSION  
1997

LEGISLATIVE ASSEMBLY

Thursday, 11 September 1997

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

### PETITION - TRANSPORT

#### *Concessional Fares*

**MS MacTIERNAN** (Armadale) [10.04 am]: I present the following petition -

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled.

We, the undersigned students call on the State Government to review bus and train fare increases and restrictions placed on DayRider concessions. These changes have led to many students paying increases of between 50% and 150%, massive increases which are placing an unacceptable burden on already financially stretched students.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 420 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 90.]

### SELECT COMMITTEE ON PERTH'S AIR QUALITY

#### *Discussion Paper*

**MR TUBBY** (Roleystone - Parliamentary Secretary) [10.06 am]: On behalf of the committee I present a discussion paper entitled "Smoke emissions from homes". I move -

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

This represents the first of five discussion papers which the committee will publish in the near future. Next week it will publish one on smoke emissions from open burning, followed by others on industrial emissions, vehicle emissions and integrated and urban planning.

This first discussion paper focuses on a major issue during the winter months within the Perth metropolitan area - wood burning stoves. Smoke emission from homes not only contributes to the creation of haze, but also can cause a nuisance to neighbours. The committee will give consideration to all strategies to target the key pollutants in an effective and economically efficient way. Strategies outlined in this discussion paper are a compilation of those implemented in other cities within Australia and around the world. They include suggestions presented in oral evidence and written submissions to the committee. The strategies are intended as illustrations of the types of actions that are needed, but there is no suggestion that every strategy must be implemented.

The strategies have been divided into four areas - educational, technical, regulatory and market based. I will quickly run through a couple of proposals in each of those areas. The first in the educational strategy is to implement education programs about haze creation and prevention, similar to the WaterWise campaign, with particular emphasis being placed on school based programs. Another proposal is to implement voluntary no burning days and nights when the weather forecast suggests conditions are likely to produce haze, such as the "Don't Light Tonight" campaign operating in Sydney.

Technical strategies include the improvement of wood heater design to achieve an optimum burning environment, the reduction of pollutant generation potential and the provision of technical support, including data on the Australian design standards and the best design and installation parameters, to sellers and installers of wood heaters. Regulatory strategies include - this will probably cause the most interest - phasing out the use of all wood combustion heaters by banning their use by winter 1998, or within three years, restricting the use of wood combustion heaters during periods of decreasing air quality, and increasing the inspection capabilities for authorities, such as the Department of Environmental Protection and local council officers, to investigate events of pollution coming from homes with wood heaters.

Some market based strategies include, firstly, placing a surcharge on the rates of those homes with wood combustion heaters, with the surcharge collected perhaps being used for funding environmental education programs, and, secondly, offering an incentive scheme to encourage residents to convert from wood heaters to alternatives, such as gas, oil or solar heating sources. That program could also be funded by the surcharge. These discussion papers will be widely distributed, and we hope that public comment will be forthcoming on the various strategies.

In bringing down its final report, the committee is keen to make effective recommendations which have the general support of the public. Submissions on all the discussion papers will be accepted until 30 November of this year. On behalf of the committee, I thank our research officer, Deanna Tuxford for her work on the papers.

Question put and passed.

[See paper No 666.]

## STATEMENT - MINISTER FOR RESOURCES DEVELOPMENT

### *Woodchipping Industry*

**MR BARNETT** (Cottesloe - Minister for Resources Development) [10.12 am]: Following recent agreement by State Cabinet, I outline the Government's intentions for the management of the woodchipping industry in Western Australia.

The woodchipping industry in the south west of the State has developed during the past 21 years under the Woodchipping Industry Agreement Act 1969, which expires on 30 June 1998. This agreement is with the WA Chip and Pulp Company Pty Ltd, a subsidiary of Wesfarmers Bunnings Limited, and, as with most agreement Acts, falls under my portfolio of Resources Development.

The current timber harvesting operations for sawlogs and chiplogs are covered under the state forest management plan approved under the Environmental Protection Act and administered by the Department of Conservation and Land Management. This plan has environmental approval through to 31 December 2003. Separately, and in addition, WACAP has a commonwealth export licence for its export operation that is valid until the year 2000.

The woodchipping industry is essential for both good forest management and the overall viability of the timber industry in Western Australia. The timber industry in this State, comprising wood and wood products, is valued at approximately \$800m annually and employs, directly and indirectly, some 18 000 Western Australians.

Export earnings from wood and wood products, including woodchips, in 1994-95 were approximately \$95m. Royalties and timber sales from all sources returned \$123m to the Department of Conservation and Land Management in 1995-96. In the same financial year, the woodchipping industry alone returned some \$52m to CALM, Westrail and the Bunbury Port Authority collectively.

The State Government, through CALM, has over the past 12 months been negotiating with the Commonwealth to develop a clear, long term basis by which the resources of our state forest can be best managed for the benefit of all Western Australians. In relation to woodchipping specifically, in a side letter to WACAP following amendments to the Woodchipping Industry Agreement Act, the then Premier Dr Carmen Lawrence gave an undertaking to advise the company of the State's intentions 12 months prior to the expiration of the Act. Given that it is now less than 12 months until the Act expires, I inform the House of the administrative arrangements the Government will set in place to honour that undertaking.

Firstly, Cabinet has authorised CALM to immediately re-negotiate the chiplog supply contract with WACAP on terms consistent with the approved state forest management plan. This is to cover the period through to 31 December 2003 and will give security and certainty to the hardwood timber industry. CALM has also been authorised to call for expressions of interest for up to 150 000 cubic metres per year of regrowth karri thinnings for use in local higher value added processing, such as reconstituted wood products.

The second stage of these arrangements will be to negotiate the extension and updating of the Woodchipping Industry Agreement Act to take effect from 1 July 1998 through to 31 December 2003. It is planned to introduce the amended Act in the current session of Parliament. The primary purpose of the replacement Act will continue to be the encouragement of local value adding with a strong focus on job creation. The Government proposes to strengthen existing arrangements in the Act which provide for further processing by promoting other value adding opportunities such as board production in addition to pulp and paper.

The Government recognises the ongoing community interest in the management of our state forest for its commercial timber value and believes the administrative arrangements I have outlined will allow for ongoing public consultation while ensuring the viability of an important Western Australian industry.

**STATEMENT - MINISTER FOR LOCAL GOVERNMENT***Wanneroo City Council*

**MR OMODEI** (Warren-Blackwood - Minister for Local Government) [10.14 am]: I make a brief ministerial statement in relation to an inquiry into the Wanneroo City Council's handling of a development approval for lot 560, Manakoora Rise, Sorrento. This inquiry had its genesis in a direction I gave the Executive Director of the Department of Local Government on 22 April 1997 under section 8.3(3) of the Local Government Act. My direction was for the inquiry to examine -

whether the City of Wanneroo followed the correct approval processes in its approval of the development application for the construction of a residence on lot 560 (number 3) Manakoora Rise, Sorrento.

My direction came as a consequence of complaints by neighbours of the development that the amenity of their properties was affected by the adjoining development. The inquiry was undertaken by an officer of the Department of Local Government who has legal training. The report is a comprehensive and thorough examination of a range of complex issues, though some of its commentary highlights routine and standard administrative processes which were overlooked or poorly administered. This report is a terrible indictment of the City of Wanneroo, the State's largest council with a workforce of more than 1 000.

It gives me, as Minister for Local Government, no pleasure to table the report which, although not finding any evidence of corruption or impropriety, describes the council's handling of this matter as grossly incompetent. The 83 findings support in part the conclusion that management of the council failed to develop and implement proper procedures and policies. In that regard the then city building surveyor, Mr Ray Fischer, and his deputy, Mr Lou Candido, are especially criticised. The report comments that the combination of weak management, poor supervision and inadequate record keeping was a recipe for disaster.

I am deeply disappointed in the council's handling of this issue. The problems caused to the neighbours and their families have been compounded by the enormous emotional and financial cost they have suffered. I understand that a settlement between the neighbours and the council's insurers may have recently been finalised on confidential terms.

The report has 11 recommendations including one that I as Minister require the City of Wanneroo to prepare within two months a plan of action to overcome the problems highlighted in the report. I have accepted this recommendation and will be directing the Department of Local Government to audit implementation of such a plan. Although I know of no similar instances in any other councils, I will be circulating a copy of the report to all Western Australian councils for consideration and action as appropriate.

I table the report.

[See paper No 667.]

**STATEMENT - MINISTER FOR SERVICES***Contract Management Best Practice Guidelines*

**MR BOARD** (Murdoch - Minister for Services) [10.17 am]: I inform the House of the release last week of the "Contract Management Best Practice Guidelines" developed by the State Supply Commission in consultation with government agencies and the private sector to provide a practical framework for the active and effective management of contracts. With the changing nature of government purchasing leading to an increasing number of high value, long term contracts, it is essential that we provide government buyers with the tools and guidance necessary to ensure those contracts are managed and work effectively. Competitive tendering and contracting is all about providing goods, services and infrastructure in the most efficient and cost effective method. Good contract management is about achieving the required outcomes from agreed contracts. The State Supply Commission has largely reworked the entire set of purchasing policies in recent months to more accurately reflect the current purchasing environment. The range of best practice guidelines currently being developed will provide the practical support for implementing those purchasing policies.

The contract management guideline document is one of the first and most significant to be produced, as it provides an easy step-by-step guide to the initiation, transition, management, renewal and review of large service contracts. The production of these guidelines recognises that agencies no longer focus on low value goods and service contracts. Therefore, their level of understanding and expertise must reflect the changing and sophisticated nature of the outsourcing environment. Agency chief executive officers and buyers are now responsible for making strategic business decisions and managing significant relationships with suppliers. This requires ongoing support, education, training and resources. The "Contract Management Best Practice Guidelines" provide a significant resource that will benefit agencies, suppliers and the entire Western Australian community.

Agency staff and suppliers will benefit from increased clarification of their roles and responsibilities, while the wider community will benefit by way of improved quality services, increased customer focus and greater value for money. Better contract management ultimately helps deliver an effective, transparent and totally accountable purchasing process that achieves best value for money outcomes for the entire State.

Every agency chief executive officer will receive a copy of the guidelines, and several thousand copies will be distributed to industry through the Chamber of Commerce and Industry over the next few weeks. I encourage all members of Parliament to read these guidelines and I look forward to outlining the progress of other best practice guidelines and initiatives in the next few months.

### INDUSTRIAL RELATIONS - LEGISLATION

#### *Advertising Indemnities - Standing Orders Suspension*

**MR KOBELKE** (Nollamara) [10.19 am]: I move, without notice -

That so much of the standing orders be suspended as would allow me immediately to move a motion censuring the Government for its failure to fully and honestly answer important questions about its extraordinary indemnity given to commercial television stations for its labour relations advertising campaign.

This is a most important matter. It relates directly to the standards of management and propriety of this Government. The debate last night led to a range of further questions and further incidents whereby statements of fact between different members of this Government are in conflict. I believe the Government is willing to allow a debate for a limited period. I am thankful to the Leader of the House for allowing it to be done in that way.

The Government understands the real importance of this matter. The suspension of standing orders will give it an opportunity to put on the record facts that may provide a more appropriate answer to the important questions that have been raised. The conflicting statements between the Premier and the Minister for Labour Relations, and between the Minister and an officer of his department, cannot be allowed to continue. Therefore, I accept the undertaking of the Leader of the House and we will limit the debate once standing orders have been suspended and the motion put.

The SPEAKER: There seems to be a lot of argument in the motion. It is better if motions do not contain too much argument.

**MR BARNETT** (Cottesloe - Leader of the House) [10.23 am]: It is a serious matter to suspend standing orders. This issue of the indemnity was debated at some length last night. If opposition members believe they have grounds to suspend standing orders, it is incumbent on them to be able to demonstrate an urgency, new information or something that is different from what was said in debate on this matter last night. Rather than have a debate about the suspension of standing orders, the Government will agree to the suspension on the understanding that debate is concluded within approximately one hour.

Question put and passed with an absolute majority.

#### *Censure Motion*

**MR KOBELKE** (Nollamara) [10.24 am]: I move -

That this House censures the Government for its failure to fully and honestly answer important questions about its extraordinary indemnity given to commercial television stations in regard to its labour relations advertising campaign and to instead run a cover-up campaign which has resulted in -

- (a) the Premier and the Minister for Labour Relations giving different dates as to when the Minister first knew of the granting of this indemnity;
- (b) the Premier stating that the indemnity was offered in relation to future advertising while the Minister for Labour Relations has told the Parliament it was for advertisements that had already been run;
- (c) the Department of Productivity and Labour Relations officer Jan Cooper telling *The West Australian* that the Minister had not been made aware of any discussions regarding an indemnity while the Minister has told the Parliament that he was aware of such discussions; and
- (d) the Parliament being left without an adequate explanation of the reasons for this indemnity being given with potential millions of dollars in liabilities to the taxpayers of Western Australia.

In order to give some explanation of the important matters that must be resolved I must briefly give the background because some complexity is involved in the Statutes that apply and the actions that have been taken in offering this indemnity. The brief overview must take account of the fact that the Government organised an advertising campaign supporting its labour relations legislation. The Premier said that campaign was of the order of \$300 000. We are talking about major expenditure in support of this television and radio advertising campaign. After I viewed the first set of television advertisements, I put a case to the Federation of Australian Commercial Television Stations that they were factually false and misleading. The Federation of Australian Commercial Television Stations is not a government agency; it is an industry body that the electronic media use to monitor and set standards in the industry. FACTS passed on my complaint to local television stations, and perhaps through the advertising agency, or directly, it came to the Government. That complaint related to the contravention of the standards that are laid down in the Trade Practices Act for advertising.

The Government has admitted that one or more of those advertisements were withdrawn and remade. That of itself is supporting evidence that there were real concerns there could be a contravention of the standards set by the Trade Practices Act. However, when the remade advertisement was submitted to the television stations, a new issue arose; that is, the advertising was political. Under the definition of political matter in the broadcasting services legislation, the advertising could be run only if it had a tag on it indicating who wrote the advertisements and whom they were spoken and authorised by. For political purposes the Government was not willing to accept that condition. It was trying to have these advertisements run, in a campaign of several hundred thousand dollars, yet it was not willing to signal to the taxpayers of this State that it was political advertising and that taxpayers' money was being used for party political purposes.

That was the dilemma the Government was in. However, the Government had already given the standard indemnities required for the placement of those advertisements. The definition in the Treasurer's Instruction and in the circular from the Premier to Ministers in 1994 was that if an indemnity was an incidental indemnity to other matters, it did not require the approval of the Treasurer and Cabinet. However, if it was not incidental - if it were an extraordinary indemnity, as it is clear this indemnity was - it was required to be approved through Treasury by the Treasurer and then by Cabinet. That did not happen.

The extraordinary indemnity was granted by an officer of the Department of Productivity and Labour Relations on behalf of the Government, without its going through proper process. Circular No 44/94 to Ministers by the Premier on guarantees, indemnities and sureties states -

It has been practice in Western Australia to use the terms "guarantees" and "indemnities" for undertakings given under explicit powers conferred by legislation and to use the term "sureties" for undertakings which have been given without recourse to specific powers in legislation, in other words for undertakings given under the Crown's prerogative.

On 15 September 1994 Cabinet adopted the policy that:

- (i) the issue of sureties, other than indemnities issued incidental to another function, be limited to the Treasurer after having been first approved by Cabinet; and
- (ii) a copy of each surety issued be tabled in Parliament within 10 sitting days and a copy be provided to the Auditor General within 10 days.

That was not done. The Government suggests its out is that this indemnity or surety was incidental. There is no way that argument stacks up. The incidental indemnities were already given. That was established by the Minister last night in this place. This was an extraordinary indemnity. It was issued by an officer, supposedly with Crown Law advice, as a specific letter. It was an open-ended indemnity for the taxpayers of this State to pick up any costs relating to any legal actions arising out of this Government's advertising.

The reason we have suspended standing orders and the Government has to find some measure of truthfulness in its approach to this matter is that the Government has engaged in a cover up and has not been willing to answer specific questions relating to why this indemnity was granted. It has got to the point of absurdity where the Minister will not provide to this House copies of the television and radio advertisements. This Minister and the Premier went to the public and said they were running an education campaign. An education campaign!

Dr Gallop: A re-education campaign.

Mr KOBELKE: Whatever name one gives it, the facts of the matters show up what it is. The Premier and Minister are so embarrassed by the advertisements that they will not place them on the Table of this House. In answer to a question on notice the Minister refused to provide a copy of the advertisement to this House. That is the extent of the untruthfulness of the coverup being waged by this Government. We are not even allowed to have a copy of the

advertisements that it said were to educate the people of this State. It is totally unbelievable that we are getting this sort of cover up.

Ms MacTiernan: It is a secret curriculum.

Mr KOBELKE: Indeed. I would like to move quickly to some of the conflicting statements that have been made. How can we have a situation which is left festering in which we have the Premier and the responsible Minister making totally conflicting statements? They have done this in a few minor and some major areas. The first conflict I will allude to is quite minor and could be tidied up. I had hoped that the Minister would try to tidy it up last night but he did not. This Minister finds the truth anathema; he cannot answer a simple question with a simple, direct, honest answer. I will give two quotes from the *Hansard* on 27 August, the Premier said -

The Minister for Labour Relations was not aware that an indemnity was given on this advertising until he received briefing notes on Monday this week . . .

That Monday, was Monday 25 August. On 28 August the Minister for Labour Relations said -

I was not aware an indemnity had been offered; in fact, I was not aware until last Friday . . .

That Friday was 22 August. The Premier said that the Minister first knew about the indemnity on Monday, 25 August and a day later the Minister said he knew about it on 22 August. That is only a minor point but it one of many inconsistencies in this whole sordid coverup. When people start to put out a fabric of deception, they start to trip themselves up; they start saying things that do not stack up. That is one very simple example of the Premier and Minister making different statements. At the end of the day, the Premier realises he will have to tell the truth. He will probably say that he got it wrong. He was here on behalf of his Minister. He understood that the Minister got the full briefing on the Monday, but he did not realise the Minister had some notice of it on the Friday, which is what the Minister said. Last night a simple explanation of that nature could not be dragged out of the Minister. We have yet to see that conflict resolved. I have suggested what might be the likely resolution of the conflict, but last night the Minister would not explain the clear conflict.

I move now to the second point in the motion, which is whether this indemnity was offered for advertisements that had already been run prior to 29 April when the indemnity was dated or whether it related to advertisements the Government was trying to get the television stations to run. I will quote a small passage from *Hansard* of Wednesday, 22 August. I asked the Premier by way of interjection -

Is the Premier saying that the indemnity related to advertisements already broadcast?

The Premier replied -

No, it related to future advertisements.

I interjected again and asked -

Did it relate to advertisements already run?

The Premier replied -

No, only to future advertisements.

That is pretty clear. People would get the clear impression from the Premier that the indemnity related to the advertisements the Government hoped would be run. That is not what the Minister said. In this place last night the Minister said exactly the opposite; he said it related to allegations of a possible breach of the Trade Practices Act for advertisements that had already been run.

Mr Baker interjected.

Mr KOBELKE: Unlike the Minister I am happy to take interjections, if they try to get to the truth. The Minister is never willing to take interjections.

Mr Kierath: I take interjections.

Mr KOBELKE: The Minister never answers interjections but blusters and garbles on. Let us put the truth on the record. The member for Joondalup suggested that this is just a matter of opinion. At one level it is a matter of opinion but it is at the heart of why this indemnity was offered. The Government has offered the indemnity and failed to justify it. This is a crucial matter on which the Government needs to get its facts right. It moves from being a matter of opinion of the Minister or the Premier to those of two men as responsible officers who must explain why this action was taken by the Government. It goes well beyond being a matter of their opinions.

Mr Baker: It was because of the complaint you made. Your complaint was a contrivance in the point scoring exercise. Your major thought was, "I will score some points out of this." That was the sole reason for it.

Mr KOBELKE: If my complaint was a contrivance, as the member suggests, why would television stations knock back hundreds of thousands of dollars of advertising revenue?

Mr Carpenter: They are the biggest socialists.

Mr KOBELKE: That may be. Clearly the member for Joondalup would know as a lawyer that the proposition he puts forward falls over because the television stations would employ the best lawyers from whom they would have had legal advice of considerable substance which warned them that there was a risk. That is why they did not accept the advertisements and not because my complaint was without foundation. My complaint was not in relation to the Broadcasting Services Act but misleading advertisements. We have a clear conflict between the statements of the Premier and the Minister on an important issue. I will move on because we have given an undertaking to keep this debate as brief as possible.

The third point is the conflict between the statements made by the Minister in this place last night and on other occasions and those made by Ms Jan Cooper, who is described as a spokeswoman for DOPLAR in *The West Australian* article of 28 August, in which she is reported as saying that the Minister was not consulted over the matter and that he knew nothing about it. Ms Cooper offered the indemnity and spoke to the media. Her comments have been published and I presume they are correct. The Minister for Labour Relations can say if they are not correct. She said the Minister was not consulted and knew nothing about it. The Minister for Labour Relations told the Parliament that he was consulted. This Minister has told this House that he was aware of the discussions that were going on. He denied that he knew an indemnity was issued, but he was aware of discussions on the indemnity before it was issued. The Minister has either misled this House or he has an officer who is telling untruths to the Press. We need to resolve that matter.

Mr Kierath: Have you thought that somebody else might have told me and not that officer?

Mr KOBELKE: The officer did not say she had told the Minister. The Minister should not play fancy words. The officer said that the Minister was not consulted by the department. The Minister can try to twist the truth. The truth is anathema to this Minister. It does not matter what red herrings or untruths the Opposition uncovers, the Minister believes if he talks and talks it will go away. Unfortunately, the Minister for Labour Relations has not learned that he needs to tell the truth in this place.

The Opposition sees a major conflict. We are trying to get to the bottom of whether the issuing of this indemnity is simply an act of total incompetence that should not have occurred. All the incidental indemnities had been issued, so that is not the point. This is an extraordinary indemnity. We do not know why it was issued. It may have been sheer incompetence by Ms Cooper or whoever was responsible, although her signature is on the letter. Alternatively, we would get into deeper and muddier waters if the indemnity were given as an inducement to the television stations to contravene the Broadcasting Services Act. That is illegal. It is illegal to offer some form of inducement to another party to break the law. The television stations did not accept the Government's advertising. They wanted the money. They want to run advertising as part of their commercial enterprise. However, their legal advice was that it would be contrary to the law to do so.

This Government through this indemnity was possibly trying to entice the television stations to run that advertising. If that is the case, this indemnity involves illegal actions. That is why we need answers to these questions. Was it sheer incompetence, and, if so, what disciplinary action and change to procedures will the Premier put in place, or was it murkier and seamier than that, with illegal activity involved? The Premier's answer to these questions needs to address those issues. Without that this issue will continue to fester and the Opposition will not let go of it. This matter will be pursued until the truth comes out.

**MR COURT** (Nedlands - Premier) [10.43 am]: I cannot believe that the Opposition has raised this issue again. The Opposition could not be more pedantic in the four points that it raised than to say that the Minister for Labour Relations and I have taken different positions. An indemnity is in place on all advertising.

Mr Kobelke: It is an incidental indemnity.

Dr Gallop: Why is there a further indemnity on this occasion?

Mr COURT: That is a good question. Why would an additional indemnity to that which existed be needed? I do not think some of the television stations even know about the standard indemnity.

Mr Kobelke: I read it into the record last night, as did the Minister. We know about the ordinary indemnity; we want to know about the extraordinary indemnity.



Mr COURT: The Government provided details of the standard indemnities last night. However, one of the television stations could not find its standard indemnity. That is how much knowledge they have of that indemnity.

The fourth point relates to the differing dates. This is earth shattering stuff!

Mr Kobelke: I said it was trivial; I am glad the Premier thinks it is earth shattering.

Mr COURT: I would say it is less than trivial.

Mr Kobelke: The discrepancy is in the dates. Why wouldn't the Minister give a clear answer?

Mr COURT: Is the member for Nollamara referring to the dates?

Dr Gallop: Let us move on.

Mr COURT: The Leader of the Opposition said "Let us move on."

Dr Gallop: There are four points.

Mr COURT: This is the first point in the opposition's censure motion and members opposite say it is trivial, and let us move on.

Mr Kobelke: Move on and answer it. Stop the waffle and answer it.

Mr COURT: Now the member says "Move on and answer it." I cannot believe this. On 27 August I said -

The Minister for Labour Relations was not aware that an indemnity was given on this advertising until he received briefing notes on Monday this week after the member asked questions in Parliament.

The Minister has said that he was notified by his office on Friday that it had some material that related to a briefing.

Mr Kobelke: No.

Mr COURT: The member for Nollamara quoted the Minister. I said that the Minister received the briefing notes on the Monday. That is correct. He was notified on the Friday and he received the briefing notes on the Monday. Does it matter two hoots?

Mr Kobelke: The truth does not matter to you, Premier.

Mr COURT: I said that he received the briefing notes on the Monday. He did receive the briefing notes on Monday!

Ms MacTiernan: You were trying to imply that -

Mr COURT: Does the member for Armadale want to make things up now?

Several members interjected.

The SPEAKER: Order! At one stage three or four members were interjecting at the same time; that is unacceptable.

Mr COURT: I cannot believe that the Opposition would waste the time of the House on this issue. I answered the question and I said that he received the briefing notes on Monday.

Dr Gallop: Is it important to the Premier to know how much his Minister knew about this issue? Of course, it is.

Mr COURT: I was asked a question and I provided the answer.

Dr Gallop: No, you did not.

Mr COURT: The Minister got up in the House last night and answered the question. How much more detail does the Leader of the Opposition want? Does he want to know where the Minister was sitting when an officer telephoned him?

Dr Gallop: We want to know what he knew about the indemnity.

Mr COURT: Does it matter two hoots anyway?

Mr Kobelke: The truth does matter to me. It might not matter to you.

Mr COURT: I have answered the question truthfully, so what do I do now?

Mr Kobelke: The Premier read a different quote to the one that I gave. I will read them again. The Premier said that the Minister for Labour Relations was not aware that an indemnity was given on this advertising "until that Monday". That is what the Premier said. It is a minor point, but the Premier got it wrong.

Mr COURT: The member for Nollamara summed this up correctly when he said it is a minor point.

Several members interjected.

The SPEAKER: Order! It is a difficult debate and people want to focus on matters. However, it is not helping when several people interject at once. I am being particularly lenient with interjections from the member who moved and spoke to the motion. When other people start getting into the act I am entitled to rule any interjections out of order and take action.

Mr COURT: This is a censure motion. However, it was summed up by the member for Nollamara when he said it was minor and trivial.

The second point related to future advertising. The advice I have been given is that the whole question is academic. I do not profess to be a lawyer, but I am advised that an indemnity was in place anyway in the form of the standard conditions of the contract, and this indemnity confirmed the existing legal position between the parties; that is, that we indemnify them for any legal action, including civil action, under the trade practices legislation.

I am advised that the whole question is academic because, firstly, a standard indemnity was already in place, and, secondly, if the letter of 29 April did any more than what was already in the standard indemnity - and I am told that legally it probably did not do any more - it could operate only with regard to future advertisements, because if it were to say otherwise, that would have to be spelt out specifically.

The Minister would have to answer the third point. The fourth point refers to the Parliament being left without an adequate explanation of the reasons for this indemnity being given with potential millions of dollars in liabilities. We have said already that the Crown Law advice was that there was no danger of any liability being associated with that indemnity.

Dr Gallop: Was that qualified advice or unqualified advice?

Mr COURT: What does the Leader of the Opposition mean?

Dr Gallop: Did they say "Absolutely not" or did they say "According to our better judgment, no"?

Mr COURT: I have already read into *Hansard* - I do not know how many times I will have to do that - the advice that crown counsel gave that no risks would be associated with this indemnity, and the Leader of the Opposition now understands that a standard indemnity was already in place.

With regard to the other part of the question - namely, why would they want a further indemnity - I reckon that is a good question. The question that I want answered is: Who makes the decisions on what is political matter? I know that is a separate issue in this case, but I want to know who makes the decisions on what is political matter because as far as I am concerned a form of censorship is taking place and I do not know what the ground rules are.

**MR KIERATH** (Riverton - Minister for Labour Relations) [10.52 am]: I know that in this House we are not allowed to quote from uncorrected *Hansard*, but I refer members opposite to a fairly extensive debate that occurred last night during private members' time in which I answered all of these questions. I have come to accept that this Opposition will go to any length to make its points, but this motion has to be the most pathetic reason to suspend standing orders that I have ever witnessed in my nine years in this Parliament.

The first thing that was said on the record by the person who moved the motion was, "It is trivial". The big guns are firing today! If we want to talk about credibility in this place, let all members of this House reflect -

Several members interjected.

#### *Withdrawal of Remark*

The SPEAKER: Order! Members who have been in this place for some time know that it is unacceptable to use the word "lie" and to impugn other members in this place. I believe that I heard the member for Midland - and a number of people were talking at the same time - use that word; if she did, I ask her to withdraw.

Mrs ROBERTS: I withdraw.

#### *Debate Resumed*

Mr KIERATH: A while ago, the member for Nollamara said that this Minister does not answer interjections. Did anyone else hear that or was I imagining things? He said that unequivocally with no qualification whatsoever. I will not quote from *Hansard*, but I refer the member for Nollamara to the debate last night and to Assembly turn 051 B/4, 9.20 pm, page 1, so that they can check this on their records, which recorded two interjections from the member for

Nollamara and two interjections that I answered. The member for Nollamara might say, quite correctly, that I do not answer all of his interjections, but he cannot say that I do not answer interjections, because I answered him last night. The record will show that he interjected and I answered his interjection, and that he interjected again and I answered him again. That demonstrates the credibility of the member for Nollamara, who makes the most outrageous allegations. He cannot even get it right on something as simple as that.

Mr Kobelke: Will you take an interjection?

Mr KIERATH: Not just at the moment. I want to make my points first. I pick and choose what interjections I take, which is my right, and if the member for Nollamara had said that is what I do, he would have been correct. However, he said this Minister never takes interjections, which is a total falsehood, and he knows it. Those are the sorts of standards that, unfortunately, the member for Nollamara has brought into the Parliament, and he and members on his side stand condemned by those actions.

Mr Kobelke: Will you prove it by taking an interjection?

Mr KIERATH: Not just yet. If I have time I will take an interjection. The member for Nollamara is useless; he is a non-event. I want to put my comments on the record first, and if the member for Nollamara can apply himself intellectually to a question, I will be more than happy to entertain that interjection.

Mr Kobelke: You will not, will you?

Mr KIERATH: As the member for Nollamara has gone to the trouble of moving to suspend standing orders, I should address my comments to the issues that he raised. I believe the House would agree that should be my top priority. At the end of that, if any time is left, I will try to answer any questions that the member cares to raise.

Mr Kobelke: You will not take interjections unless it suits you.

Mr KIERATH: Of course. All I am saying is that I believe this motion is more important than the member's interjections and I give it a higher priority. That does not mean to say that I have ruled out answering his interjections.

The first point of the motion refers to the Premier and the Minister for Labour Relations giving different dates as to when the Minister first knew of the granting of this indemnity. Again I will not quote from *Hansard*, but I will refer to Assembly turn 050 J/3, 9.10 pm, page 5. The explanation is really simple, as I said last night. The department sent papers to me, which I received on Monday and read on Monday. What happened, as sometimes happens, is that my press secretary found out about this and rang me at my electorate office on Friday afternoon. I do not know what other members do, but I guard my electorate office time jealously and do not like ministerial business intruding into my electorate office time. That is one rule that I hold fairly hard and fast.

He made a telephone call which the Premier would not have known about, members of DOPLAR would not have known about and most of the people in my ministerial office would not have known about. As I said last night, I did not need to declare that telephone call, but I am totally honest and I bared everything in here, including the content of that telephone call. The Premier does not listen to all of my telephone conversations; he has more important things to do. They are normally not terribly exciting anyway.

This person telephoned me and said he believed there was an indemnity and some papers were coming to me. That was the end of the telephone call. I thought I would do the right thing and bare all to the House, not only the papers but also the content of a simple telephone call. However, that has somehow been construed into double standards and a conflict of evidence. It is not, because I did not receive any formal notification until the Monday when I received the papers, and I read the papers on the Monday night.

Again, I wonder about the credibility of an Opposition that makes that issue the first point in its motion to suspend standing orders.

Ms MacTiernan: There is a cover up. You got it wrong.

Mr KIERATH: The only thing that members opposite could accuse me of is relaying details of private telephone conversations, which are not recorded in any event. If the charge is that I am too honest, I plead guilty to the charge. As to the second point -

the Premier stating that the indemnity was offered in relation to future advertising while the Minister for Labour Relations has told the Parliament it was for advertisements that had already been run;

I do not know where I said that. If I said it - I have not found any evidence of that in my comments last night - I would apologise, because it is not what I intended. I will relay the events so that the member understands them

clearly: Some advertisements had been run, and then they were pulled. When I was asked why they were pulled, the answer was that it was claimed they were inaccurate and misleading and that the stations required an indemnity against any civil losses. An indemnity cannot be given against criminal losses. Therefore, Crown Law considered what sort of civil losses there could be. There was the point about every union member having a right to a secret ballot. In hindsight, Crown Law said that no losses could be suffered. If one were a union member and thought one was guaranteed a right to a secret ballot - under most legislation people would have a secret ballot - but if one were one of the very few who would not, no financial loss would be suffered as a result. Crown Law opinion was that there was no risk. It looked at every angle, but could not see any risk.

Dr Gallop: You never know!

Mr KIERATH: Let me finish. Crown Law could not see any risk, and that was why the indemnity was offered. The advertisements were returned to air -

Ms MacTiernan interjected.

Mr KIERATH: Let me finish the story! I will return to that question. When the advertisements went to air again, we thought that was the end of it, but they were pulled again, because of the question of definition of political matter. The indemnity asked for and offered was between -

Dr Gallop: You said last night that the reason it was pulled was the Trade Practices Act!

Mr KIERATH: There are two parts to this, and I have just given an example. Had the Leader of the Opposition been listening instead of interjecting, he would realise that the advertisements were pulled twice. The first time was on the basis of a letter from the member for Nollamara saying that the advertisements were inaccurate and misleading. The second time related to political matter. I am not sure which Act covers political matter.

Dr Gallop: The Broadcasting Services Act.

Mr KIERATH: That is the one. It is also covered by the Australian Broadcasting Authority -

Dr Gallop: So the indemnity related to both Acts.

Mr KIERATH: No. The indemnity offered in the first place was in relation to inaccurate and misleading matter. I am not aware of any indemnity offered in relation to -

Dr Gallop: Have you read the indemnity? It relates to all Acts.

Mr KIERATH: I am referring to the advice given to us. I am not aware of any indemnity that has been talked about relating to the second time the advertisements were pulled. I think a question was raised yesterday -

Mr Court: This was on the legal matter.

Mr KIERATH: Yes. I am not aware of any indemnity offered or talked about in relation to political matter, although when I received the phone call on the Friday, they said that an indemnity was offered. I did not know to what the indemnity related; I did not have any papers. I assumed that the indemnity related to the issue of political matter. When I inquired about what it related to, I was told it related to the claim that the advertisements were inaccurate and misleading. When one considers that, one would ask what possible liability could result, and, as the Premier said, the indemnity in the current contracts already covers that situation, because it is indemnifying the stations against any civil action. We cannot indemnify against criminal action.

Ms MacTiernan: It was by the Trade Practices Commissioner.

Mr KIERATH: As I understand it, the issue he raised was about whether the statement was inaccurate or misleading, and taking the worst case scenario, what action might result. A civil action can be brought only by a person who sought a secret vote but was not guaranteed or granted one. That is the only person who could suffer a loss, as I understand it.

Ms MacTiernan: That is not true -

Mr KIERATH: It may not be true, but that is how I understand the situation.

Ms MacTiernan interjected.

Mr KIERATH: That is the member's opinion. This is my understanding of the situation. The member must understand that this all occurred after the event.

Ms MacTiernan: That is not where the likely problem will be. It will come from a civil case -

Mr KIERATH: Unfortunately the member was not present last night. Last night I read point 9, which was -

What were the suggested legal actions which could incur liabilities to media companies such as to require these government indemnities?

The indemnity offered by the Department of Productivity and Labour Relations in a letter dated 29 April 1997 was offered in respect to concern expressed by the television stations about their liability in respect of Part V of the Trade Practices Act.

Crown counsel's advice was that having viewed the potential for litigation from all angles, there was no exposure to the Government because there was no risk of liability. That was the legal answer from crown counsel. I accept the advice offered by the member last night, because that is legal advice of much greater standing.

Mr Kobelke: Was there any form of legal advice from the Crown Solicitor having doubts about the ability of the officer to issue such an indemnity?

Mr KIERATH: Not that I am aware of.

Mr Kobelke: Will the Minister check and let us know?

Mr KIERATH: Yes. Paragraph 3 of the motion reads -

that the Department of Productivity and Labour Relations officer Jan Cooper told *The West Australian* that the Minister had not been made aware of any discussions regarding an indemnity while the Minister has told the Parliament that he was aware of such discussions;

Jan Cooper did not tell me about the indemnity.

Mr Kobelke: No-one said she did. You said that you were not told!

Mr KIERATH: She could not know. This is the stupidity of the motion. How can anyone in the department know about all conversations I have outside -

Ms MacTiernan interjected.

Mr KIERATH: The department provides me with advice, and the department did not inform me of the indemnity. It is simple. At the time, I spoke to about half a dozen people, and one of them was the agent who was trying to place the advertising. If members had bothered to ask me who told me, or ask when I said I was aware it had been discussed and who told me, the answer would be that a person from the advertising company told me. That person, in summing up a series of discussions during the day between the Department of Productivity and Labour Relations, Crown Law and the television stations, said there had been some discussion about an indemnity, if that was what was required to get the advertisements back on air. That is all that was mentioned. I was perfectly open and honest about it. Again, someone raised the matter with me, but it was not someone from the department. I was not informed; the conversation was that an indemnity had been raised in discussion, but not that it had been offered. That is important to understand.

Again, the only accusation that can be made against me is that perhaps I have been too open and honest in revealing all conversations, whether personal, on the telephone or elsewhere; and if that gets me into trouble, so be it.

Mr Kobelke interjected.

Mr KIERATH: I can provide the name of the person, if the member wants it. He came from Benchmark Advertising -

Mr Kobelke: It was a person from the department who said you had not been informed.

Mr KIERATH: The department did not inform me -

Mr Kobelke: They were dealing with the agency and they would have known what had been passed on, because it was their responsibility to let you know!

Mr KIERATH: I feel sorry for the member for Nollamara. I had a meeting with a person, one on one; no-one from the department was present. He was reporting on conversations -

Mr Kobelke: You were dealing directly with the agency.

Mr KIERATH: I will be a bit careful here: If my memory serves me well, I think I was in my little office downstairs somewhere, on the telephone, when he gave me that report. Again, it was a telephone call, and I do not have people sitting in on my telephone conversations; nor do I record my telephone conversations.

Mr Kobelke: You were dealing directly with the agency!

Mr KIERATH: He rang me -

Ms MacTiernan: Why did he ring you?

Mr KIERATH: To tell me the outcome of the discussions that had occurred during the day.

Ms MacTiernan: Why did he do that, if he was dealing with the department satisfactorily?

Mr KIERATH: At that stage, the Premier, I, and other officers had been involved in negotiations about the advertising. As the Premier said, we were dumbfounded about the level of censorship at the time and that someone could withdraw the advertisements which had quite rightly been passed through legislation. The story about how advertisements can be withdrawn as a result of censorship is another story to be told. Perhaps it will emerge in the future. I think I have answered the third point: The Department of Productivity and Labour Relations did not inform me about the indemnity until the briefing notes were sent to me which I received on the Monday in August. The department had not had any discussions.

Dr Gallop: Can you take an interjection?

Mr KIERATH: The Leader of the Opposition made his points; I am answering point 3 about DOPLAR not informing me about the indemnity until I got the briefing notes on 25 August.

Ms MacTiernan: When did the agent -

Mr KIERATH: It was not the agent, but it was a byproduct of a conversation with the man from the advertising agency.

Mr Kobelke interjected.

Mr KIERATH: No; when I say the agency I mean the government agency, DOPLAR - the department.

Mr Kobelke: You were told by the advertising agency that the indemnity was being discussed.

Mr KIERATH: Yes; the man said that in the course of conversations that day the possibility of indemnity was discussed.

Ms MacTiernan: This was not the department, but the agency?

Mr KIERATH: Yes; he did not say that the indemnity had been offered. He went on to report that the outcome of those discussions had not been successful. I assumed, as would anyone, that if it had been discussed and no-one said it had been offered, that it had not been offered.

Mr Kobelke: What was your reaction to the suggestion of the indemnity; did you support it?

Mr KIERATH: I did not discuss it. The man from the agency just mentioned it in summing up, and concluded what he was trying to tell me about the outcome of those discussions. In that respect the indemnity was not important. At the end of the day when he informed me, things were still going to occur.

Mr Kobelke: Were further inquiries made about what had progressed from that discussion of indemnity?

Mr KIERATH: No, not at that stage.

Dr Gallop: You really failed in your ministerial duty, didn't you?

Mr KIERATH: I do not think so.

Ms MacTiernan: It is incredible; it is amazing.

Mr KIERATH: What is amazing about it?

Ms MacTiernan: You are saying on the one hand you did not know; your department did not tell you, but the agency told you and when we say why was the agency -

Mr KIERATH: The advertising agency told me.

Ms MacTiernan: We are asking why the advertising agency, which is negotiating with the department, all of a sudden, out of the blue, picks up the telephone and rings the Minister?

Mr KIERATH: Discussions were taking place between the advertising agency, DOPLAR, Crown Law, my office, the Premier's office and the television stations.

Ms MacTiernan: You did not know about it.

Mr KIERATH: Initially some of the discussions were being channelled through the advertising agency. Then the agency wanted legal or departmental advice and the agency referred back to DOPLAR and back to Crown Law, as would normally be the case.

Ms MacTiernan: You were having private discussions on the indemnity before you had discussions with the department on it?

Mr KIERATH: No. I did not have discussions; I am saying that the person from the advertising agency informed me -

Dr Gallop: Why didn't you inform Parliament about this when you first raised it?

Mr KIERATH: I will take one interjection at a time. I know it is difficult, but the Leader of the Opposition should be polite for once. I am trying to explain something in which the member for Armadale is interested.

Ms MacTiernan: I am fascinated.

Mr KIERATH: The man from the advertising agency said that general discussions were occurring backwards and forwards and possibly the indemnity had been raised and discussed. Then he said that the outcome of the negotiations during the day were that the prospect had been no further advanced. I assumed from that conversation the matter had not been progressed any further so I did not take it any further. I do not think any reasonable person would have.

I refer now to point 4. As I have discussed, there were not potential millions of dollars in liabilities. The reason for their withdrawal was that the advertisements constituted inaccurate and misleading advertising; that is, the secret ballots, and I have covered that issue. Legal advice is that there will be no potential losses. In that light I disagree with point 4; there will not be potential losses of millions of dollars. At the crunch, we will take Crown Law advice that losses will not occur rather than advice from the member for Nollamara who says they will. His claim that I, as Minister, will not take any interjections when I do take some interjections is an example of his standard of honesty in this House.

Mr Kobelke: Will you take some now?

Mr KIERATH: I pick and choose my interjections. I still have a couple of points to make.

The bottom line is that if an indemnity were offered, it was for civil rather than criminal action. As far as I am aware, immunity cannot be given against criminal offences.

Mr Kobelke: All legal action.

Mr KIERATH: That is the stupid part. Any lawyer worth his salt knows that immunity cannot be given against criminal action, it can be given against only civil action. The Opposition should know that in its role as part of a law maker.

For the member for Nollamara, I will take an interjection.

Mr Kobelke: I apologise to the extent that I said you never take interjections; you do occasionally. Has Miss Jan Cooper received a promotion to level 1 since she signed the indemnity?

Mr KIERATH: I do not know whether it is since then, but I understand that she applied for and was awarded a job.

Mr Court: What does that have to do with the issue?

Mr Kobelke: It seems like an ample reward.

Mr Court: You are implying that a public servant has received a reward for doing what was described as part of her normal functions.

Mr Kobelke: It was not part of her normal functions. The Minister did not even know whether there was any possibility of this indemnity.

Mr Court: That is outrageous; that would be corruption.

Mr Kobelke: That is what I am concerned about.

Mr KIERATH: That sort of allegation is outrageous because those appointments do not happen.

Mr Graham interjected.

Mr KIERATH: Madam Acting Speaker, please call the member for Pilbara to order. Do I get a chance to have a say in this? He should be called to order so that I have half a chance of getting my words out before he interjects.

The ACTING SPEAKER (Ms McHale): The Minister is on his feet and has the call.

Mr KIERATH: I had no say whatsoever in that promotion. An internal group made up the selection panel which met the candidates, interviewed them and made the selection. As Minister, I was informed that the position had been filled. I had no discretion. My only involvement was to agree to the advertising of positions. After that I had no input or power and made no recommendation whatsoever until the position was filled.

I refer to the expenditure of \$6m or \$7m and a campaign costing approximately \$285 000 called "Care and Respect for Seniors" which the Opposition ran in 1988 and 1989 at the end of a state election.

Mr Kobelke: Not like the \$30m you spent.

Mr KIERATH: The Opposition used government moneys right up to the election when Greypower was in full force. Just before the election was called it switched from being a government funded campaign to an Australian Labor Party funded campaign. All the research and material was done at taxpayers' expense to further the Labor Party's political ends. That was the Labor Party's policy when it was in power and it was a disgrace.

**DR GALLOP** (Victoria Park - Leader of the Opposition) [11.18 am]: The Opposition suspended standing orders today to move a motion to censure the Government for its failure to fully and honestly answer important questions. Clear evidence has just been given to this Parliament that the Minister for Labour Relations did not fully answer questions raised on this matter in this Parliament. It appears that the only way that we can get drips of information on this issue is to keep on prodding away in this Parliament.

The interesting little drip of information that emerged today was that the first the Minister knew about the indemnity question was when the advertising agency informed him of discussions about it. It is very interesting that when the questions were first asked about this issue, the Minister did not bother to inform the Parliament that they were the circumstances under which he first knew about the indemnity.

Mr Court: Did you know there were indemnities in place for all the government advertising?

Dr GALLOP: We certainly know that there are indemnities in place which are incidental to many contracts issued by government departments.

Mr Court: You knew that, did you?

Dr GALLOP: Not in relation to this issue. The only reason I have got information about this issue is by my prodding the Government. Is it not interesting that the Minister chose not to tell the Opposition the circumstances surrounding this and that the first he knew about this question was in a phone call from the advertising agent? What is the interest of an advertising agent in these issues? The interest is in the work, revenue and getting the advertisements in place. If it is not, presumably the advertising agent is not pursuing his or her own interest. The advertising agent would have gone to the Minister and said "We are discussing this issue." Why did the advertising agent not say to the Minister that the indemnity would need to be raised? Let us imagine why he or she would have done it. It would have been done because he or she would have been concerned that the television stations were not going to run the advertisements. That meant the advertising agent would not have received the revenue from this project which had been given to him or her by the Government of Western Australia. I ask the Minister whether it is a fair assumption that the reason the advertising agent raised it with him was that he or she was concerned that the advertisements would not be run.

Mr Kierath: I was concerned the advertisements would not be run.

Dr GALLOP: The Minister was concerned, but the advertising agent would have been concerned as well and that is the reason he or she raised the indemnity issue.

Mr Court: The indemnity is already there.

Dr GALLOP: I will come to that issue and put the Premier on the rack about it. I will deal with this issue first: The advertising agent was concerned that the advertisements might not be run and the Minister was concerned about that as well. Did the Minister tell the advertising agent that he either approved or did not approve of an indemnity?

Mr Kierath: I answered that question and said I did not discuss it any further. He reported it as one of the things that happened.

Dr GALLOP: I will go on with the first issue - a new revelation by way of this debate today.



Mr Kierath: It is not a new revelation. I told you about it.

Dr GALLOP: The Minister did not tell the Opposition the circumstances under which he knew. He concealed it from the Parliament.

Mr Kierath: I did not. I said I was aware it had been discussed.

Dr GALLOP: He did not tell us how he knew about it because it was the advertising agent and not the government department who told him.

Let us go to the second point which follows on from that revelation. A Minister of the Crown, one of the Premier's Ministers, was told that discussions were occurring on an indemnity that could involve taxpayers' money and what did he do? Nothing.

Mr Court: No, do not make things up.

Dr GALLOP: He did nothing and that is the standard the Premier has set for his Ministers.

Mr Kierath: I explained the situation a little while ago. He said to me in the course of discussion that the potential for an indemnity had been discussed. He did not tell me the end results of the discussions, which at that stage did not include an indemnity.

Dr GALLOP: The train has moved on from that point. We have moved to the next stage of the argument. Why did the Minister not follow up on that?

Mr Kierath: Very simple. My impression was that it was something that had been discussed and I believed it had been discarded.

Dr GALLOP: That is not good enough. The Minister is responsible for taxpayers' money which is spent by his department and he chose to show no interest in it.

Then, what happens? The indemnity is actually issued by way of a letter from the Department of Productivity and Labour Relations to the television stations. Now we come to the crunch argument in this issue, which is dealt with in parts (2) and (4) of the motion. The crunch issue is: Was that indemnity issued lawfully, according to the Treasurer's Instructions and the Premier's circular to Ministers? There is every possibility that it could have been if the Minister had taken an interest in the subject when it was raised with him.

Of course, the next issue is whether it was issued lawfully. It is very convenient that the Treasurer's Instructions include a clause which states that if an indemnity is incidental to another function, it is possible to do it through the departmental process rather than through Treasury and Cabinet. The Government is so keen to bring new information to this Parliament on this issue that the very information it brings to the Parliament actually undermines its argument. What was the information? It was that in all its advertising contracts, there are indemnities which are incidental to those agreements. That is the reason for the clause being in the Treasurer's Instructions. If every one of them went to Cabinet it would be totally unworkable. The process allows for it. Advertising contracts include that clause and the Minister for Labour Relations went through lots of them yesterday, but of course there is a difference.

Fortunately for the Premier, the difference in this case is that the indemnity was over and above the contract. They are not my words, but the words used by the Minister in the Parliament yesterday. In other words, the very words in the Treasurer's Instructions do not meet this circumstance. The words in the Treasurer's Instructions deal with advertising contracts that are entered into every day by the Government. They do not deal with the 29 April letter that was given by the department to the television stations in Western Australia. Is it not very convenient for the Premier to come into this place and say that it is the same thing? If it is the same thing, why did it need to happen? It needed to happen because there was an extraordinary set of circumstances which led the Government of Western Australia to indemnify certain advertisements because it was fearful that if it did not do that it would not get a run on the television stations. It was desperate and it had to get them up. The Government has failed in this process. Failure number one was that the Minister was informed about it but he showed no interest. Failure number two was that an extraordinary indemnity was entered into without the Government following the proper process that was laid down by the Treasurer's Instructions and the Premier's circular to the Ministers.

Let us go to the fourth point. The Premier is in the House so I will put the question directly to him. If my argument is not correct, why is he reviewing that Treasurer's Instruction?

Mr Court: I asked the Public Sector Management Office to look into this issue and it said that everything had been done properly but that the Treasurer's Instruction should be written in language that is better understood by a lay person. There was nothing wrong with the Treasurer's Instruction.

Dr GALLOP: Why did it say that?

Mr Court: It was a recommendation it made.

Dr GALLOP: Might it have said that because there is doubt about the Premier's interpretation and other people's interpretation of whether it was a lawful indemnity issue?

Mr Court: You are having a good try but I am afraid you have got it wrong.

Dr GALLOP: I ask the Premier to table that Public Sector Management Office report.

Mr Court: I will see what it says.

Dr GALLOP: Will the Premier table it?

Mr Court: I will get a copy of it and give you an answer to that question.

Dr GALLOP: We will pursue that issue. Why would the Public Sector Management Office recommend to the Premier a change to that Treasurer's Instruction if there was not some doubt about this circumstance?

Why would that be done? This circumstance has revealed a problem; namely, that an indemnity was issued outside the framework which was acceptable to the Government which it tries to make acceptable by reading the words in a certain way. What does the Government do in that circumstance? It changes the words to make them clearer. The actions of the Government indicate only too well that the processes of government have not worked properly. If they had, no question would arise about the Treasurer's Instruction and the words therein.

On the fifth point in the argument, I turn to my good friend the Deputy Premier. If this process were perfectly okay within government, why did the Deputy Premier of Western Australia say that he had concerns about what the Minister did or did not do? Why was it that he said that squillions of dollars were at stake here, but the process of government did not seem to have dealt with that potentiality in a proper way? Why say that if there were not a problem? The words of the Deputy Premier reveal to Parliament and the public that a problem exists in the processes followed on this issue.

The circle turns and it all comes back to the Minister for Labour Relations and his ideological and fanatical obsession to beat the trade unions of Western Australia. The trouble when one is ideological obsessed is that one starts to cut corners and make mistakes, and one starts to ignore due process. At least, if the Minister does not do that, he creates an atmosphere in the departments he administers so that people act in that way on his behalf because of his view about the way the department should run.

Whichever way one looks at this matter, it comes back to the Minister. He should have done something about the matter when he was first informed about it; however, he did nothing, thus jeopardising taxpayers' money. Concerns in that regard were revealed by the Deputy Premier. The Minister for Labour Relations has created an atmosphere in his own jurisdiction which is so anti-union and driven by his narrow ideology that people believe they must act in this way when dealing with such issues. That leads to the cutting of corners and mistakes being made. This is exactly what happened with this issue.

The information is coming out only through the questioning and the persistency of the Opposition. The motion moved by the member for Nollamara has stood up to the scrutiny of debate in Parliament, and the Government has still to properly account for what happened in the Department of Productivity and Labour Relations. The Minister still has the responsibility problem regarding what happened in this matter, and it would appear that no-one is being held to account for what happened, within both the bureaucracy and Cabinet. The Opposition will continue to pursue this issue.

Even today as I began my speech, new information came to light about the circumstances in which the Minister for Labour Relations first knew about the indemnity issue. That occurred because the advertising agent was concerned about what was happening and he informed the Minister about the possibility of an indemnity. Interestingly, this is the third time we have debated this matter, and numerous questions have been asked; however, today was the first time that the Minister has revealed that information to the people of Western Australia. I am surprised that the Premier does not seem interested in that revelation. It could tell us that the Minister was more deeply involved in the issuing of that indemnity than he has led us to believe in his answers to Parliament.

The Opposition has done a service to the people of Western Australia, and the Government continues to fail in its duties to account for what happened. Most importantly, the Minister has failed to accept his responsibilities.

Question put and a division taken with the following result -

## Ayes (19)

Mr Brown  
Mr Carpenter  
Dr Constable  
Dr Edwards  
Dr Gallop  
Mr Graham  
Mr Grill

Mr Kobelke  
Ms MacTiernan  
Mr Marlborough  
Mr McGinty  
Mr McGowan  
Mr Pandal

Mr Riebeling  
Mr Ripper  
Mrs Roberts  
Mr Thomas  
Ms Warnock  
Mr Cunningham (*Teller*)

## Noes (31)

Mr Ainsworth  
Mr Baker  
Mr Barnett  
Mr Barron-Sullivan  
Mr Bloffwitch  
Mr Board  
Mr Bradshaw  
Mr Court  
Mr Cowan  
Mr Day  
Dr Hames

Mrs Hodson-Thomas  
Mrs Holmes  
Mr House  
Mr Johnson  
Mr Kierath  
Mr MacLean  
Mr Marshall  
Mr Masters  
Mr McNee  
Mr Minson

Mr Omodei  
Mrs Parker  
Mr Prince  
Mr Shave  
Mr Sweetman  
Mr Trenorden  
Mr Tubby  
Dr Turnbull  
Mrs van de Klashorst  
Mr Osborne (*Teller*)

## Pair

Ms Anwyl

Mrs Edwardes

Question thus negatived.

**APPROPRIATION (CONSOLIDATED FUND) BILL (No 4)***Second Reading*

Resumed from 9 September.

**DR GALLOP** (Victoria Park - Leader of the Opposition) [11.40 am]: This Bill has been put forward by the Government to provide a framework with which to accommodate the High Court decision in the Ha and Hammond case, which of course came down recently. As a result of that case the state based excises on petrol, tobacco and alcohol have been ruled unconstitutional by the High Court. Those excises are now to be levied only by the Commonwealth Government. At the time of the decision it was agreed that in the short term, steps would be taken so that the revenue would be returned to States but the effect of the whole process would be neutral on prices for consumers of these products. That is a very complicated agenda. This legislation makes it possible for that agenda to be carried out as best it can because the levies applied at the commonwealth level differ from those applied at the state level. Some of the forms of measurement are different and, therefore, for the state and federal authorities to work out a means of addressing that question has been an awkward and difficult procedure.

We support the legislation as being necessary to provide a framework for this short term accommodation. However, it is hoped that the legislation will have short life and that the new arrangements introduced under it will be seen as nothing more than a stopgap measure in the light of the need to address the much bigger issue of commonwealth-state relations. Indeed, if something good has come out of the High Court case, it is that it provides a window of opportunity to push for genuine reform of federal-state financial relations. The increasing disparity between the revenue raising powers and expenditure responsibilities of the Commonwealth and State Governments, which has been worsened as a result of the High Court decision, has brought with it a number of problems which should be addressed. We hope very much that these matters will be given a good degree of priority when the Prime Minister's task force on tax reform considers all of the issues before it. We on this side of the House will express some scepticism about the degree of priority that has been given to the commonwealth-state issue, particularly when we see the priority that has been given to the goods and services tax issue. Members know only too well that the application of a goods and services tax to the Australian political system would in and of itself produce a massive centralisation of financial power.

Mr Barnett: Not necessarily.

Dr GALLOP: I said "in and of itself" it would produce a massive centralisation of financial power which could be dealt with only if there were either constitutional change or some new method of sharing the indirect tax that would be collected by the Commonwealth. We believe that this issue should be given priority.

The States of course have only a very limited taxation base. Their ability to raise revenue independent of the Commonwealth is restricted. As a result, they have increasingly come to rely upon grants from the Commonwealth to perform necessary functions. As we know, it is not only a question of getting revenue from the Commonwealth but also a question of the type of revenue that comes from the Commonwealth. Some of it is general purpose grants and some of it is tied grants.

Increasingly we have seen the tying of grants from the Commonwealth to particular objectives set by the Commonwealth Government, which reduces the degree of flexibility available at the state level. It means that the States are restricted in their ability to respond to the economic and social circumstances and community demands placed upon them. The health of our political system requires a degree of confidence that local, State and Commonwealth Governments will be in a position to respond to the electors who put into place those Governments and Parliaments, so that there can be a genuine political dialogue and debate in each of those jurisdictions. Under our current system the ability to pass the buck has become all too easy, thus reducing the genuine nature of the democratic dialogue.

The vertical fiscal imbalance problem also brings about a mismatch of responsibility and accountability for the provision of government services. Although the Commonwealth is responsible for the collection of revenue, the States are accountable for the appropriate and effective distribution of that revenue throughout the community. Increasingly, the conflict between the two levels of government is getting in the way of proper accountability for expenditure. It is important that States have greater certainty in their revenue base. This can be achieved only by a system in which there is a greater certainty on the level and source of revenue that States can receive. I return to the point that the High Court decision, with which we are dealing today on effectively a short-term stopgap basis, must become the catalyst for a major reform of our commonwealth-state financial system. The reform of that system must be a central issue in the tax reform debate.

I will take the opportunity to say a few things about that debate and to give a Labor Party perspective on some of the issues. This is an appropriate occasion to do so. I am surprised by the level or, should I say, the lack of discussion and consultation on these issues by the Premier. The Premier is only too keen to talk about federal-state relations in a very generalised rhetorical way, but we do not hear a lot from him about the detail of what he is proposing or the processes by which he will produce a state based decision to take to the forum being set up by the Prime Minister. The Premier has been very outspoken on the need for reform in the Australian taxation system and commonwealth-state relations. As I have said, I am quite surprised that in tackling these issues, he has not called for community and business input.

This is a serious weakness in the approach he is adopting to this major national and state issue. The time has come for us in Western Australia to have our own forum on tax reform, so that groups on the community, non-government side, perhaps best represented by the Western Australian Council of Social Services, groups representing business, particular industry groups such as the Chamber of Mines and the Association of Mining and Exploration Companies, or the generalised support group of the Chamber of Commerce and Industry, can put forward their ideas on this proposal, and so that the different regional interests in Western Australia are reflected in the debate. The Western Australian Government is not adopting this approach to the issue. The Premier is beavering away in his department on this issue and not informing anyone about the specific direction he wishes to take. I will use this debate to put forward the proposition that we should have our own tax forum in Western Australia, so that the genuinely Western Australian position, reflective of a broad consensus in our community, can be adopted on this issue.

Mr Pental: Do you mean state based tax reform?

Dr GALLOP: I am talking about the whole question. We cannot deal with commonwealth-state financial reform without dealing with state taxes as well as federal taxes. That is what the member for South Perth is implying, and I agree that that would have to be on such an agenda, otherwise it would be a meaningless forum.

I ask the Treasurer: Whom is he consulting at this time in respect of his approach to this tax reform issue? What framework has he set up to enable the community, business groups and other interested parties to provide input into that process? It appears that the Treasurer is operating in a shroud of secrecy on issues that will have a fundamental impact on all Western Australians.

Perhaps there is a reason for that. Perhaps the Treasurer is afraid to publicly express his views on taxation reform and state financial powers, or perhaps he does not want to listen to the views of the people whom he represents. We know that the Treasurer and the Government support a goods and services tax. The Treasurer has also said on occasion that he would be "entirely comfortable with introducing a state based goods and services tax". In earlier times, the deputy leader of the Liberal Party put forward that proposition by way of academic treatise when he was working for the Chamber of Commerce and Industry, and he has done that also since he has been a member of Parliament and a Minister of the Government. It is very interesting that, at least in general terms, we have some

inkling of where the Government is coming from. It supports a goods and services tax, and it also wants a state based goods and services tax to be on the agenda.

Mr Barnett: It is not a bad concept with regard to division of taxation powers to have the Commonwealth handle direct taxes and the State handle indirect taxes. Apart from the constitutional problems, there is some logic in that.

Dr GALLOP: It is interesting that the deputy leader of the Liberal Party supports that position. The implication that follows from that position is that some proposals should be put on the table so that other people in Western Australia can be privy to what is being thought about and can consider its ramifications for the constituencies which they represent. The three great constituencies that need to be considered are the regional interest, the business interest and the non-government community based interest. The first point is that we need some process by which those points of view can be expressed to the Government.

In response to the position that has been put by the deputy leader of the Liberal Party, the essential problem that exists is that any proposal for tax reform that involves constitutional change will be very difficult to achieve because constitutional reform is complicated. It requires the support of a majority of the people in a majority of the States, and it involves all sorts of issues that become complicated by politics. The experience of constitutional reform in Australia has been fraught with negativity.

Mr Pandal: That is only when one major party holds out. Think what we could do if the two major parties agreed.

Dr GALLOP: We do not agree with a goods and services tax.

Mr Pandal: You did.

Dr GALLOP: The Treasurer in 1998 advocated it, just as the deputy Leader of the Liberal Party does now, but it was not the position of the Hawke Government. That is a normal process that occurs within government.

Mr Pandal: He did advocate it.

Dr GALLOP: It did not emerge as the government position, so one cannot say that it was the government position.

Mr Pandal: It was the government position, but you backed off it.

Dr GALLOP: There is no question that we are against a goods on services tax, so members who want a constitutional reform on a goods and services tax will have a political argument. We are being open and honest about it. That is the first problem that would arise with tax reform on the basis of a goods and services tax.

The second matter that the member for South Perth should consider is that if we did have indirect state based taxes that were levied by different States in different ways, we would have a cross-border problem.

Mr Barnett: Two issues arise: You would have a constant regime, but you could have different rates.

Dr GALLOP: If we had different rates of indirect tax, the problem that would arise is that because business people are very shrewd, they would tend to shift their activities around, whether they were retail or wholesale, in order to minimise the tax impact. That has already occurred with some of the state indirect taxes. I visited Canada in 1992 when the goods and services tax was on the agenda, and one of the issues that was raised was that all of the people who lived alongside the border shopped in the United States of America; and they still do. If we had different rates of indirect goods and services tax in Australia, sure as eggs these transfers of activity would occur.

Mr Pandal: That is the case now.

Dr GALLOP: Of course, but the member for South Perth wants to systematise it.

Mr Barnett: The United States of America has different rates of retail tax from State to State. There will always be border-hopping under any regime.

Dr GALLOP: That is a legitimate point that needs to be raised, because it could impact upon the ability of that tax to raise revenue in particular jurisdictions. We are after some degree of certainty in respect of this issue.

If the Government were considering a state based GST, it would have a problem with constitutional and political issues, and it would have an economic problem with cross-border issues. The Government should be prepared for the fact that it would be very difficult to go down that road. However, rather than say today that that is the way it will go, it should open up this issue to a more broadly based discussion about how we might reform our federal-state taxation system.

Mr Barnett: You can formulate your state tax policy. You are at liberty to do that.

Dr GALLOP: I will get to that.

I turn now to some ways in which we can reform our federal-state taxation system without the hooks that accompany a GST, which are that it is a regressive indirect tax, and that if it were applied at state level we would have to change the Constitution, which would give rise to political issues.

Mr Barnett: You should not assume that it is regressive. The literature states that it is not necessarily regressive; theoretically it is, but in practice it often is not.

Dr GALLOP: At the Shann Memorial Lecture at the University of Western Australia, a paper was presented by Professor John Freebairn of the University of Melbourne that contained a fascinating table outlining all of the income groups in the community in 20 per cent categories - the bottom 20 per cent, the next 20 per cent, and so on - and comparing the impact of our tax system on those different levels of income. The direct tax system is based on the income tax system and the indirect tax system is based upon a mixture of federal and state indirect taxes. The paper indicated that as a person's income increases, the amount that person pays in direct taxes as a percentage of income increases - and that is what it should do because it is a progressive tax - but the amount that person pays in indirect taxes as a percentage of income decreases. The Labor Party, representing as it does people in the community who have lower incomes, is somewhat sceptical about the impact of a GST on indirect taxes, and that is why our federal leader is taking up the fight on behalf of those people.

Mr Osborne interjected.

Dr GALLOP: That is the reality. I will give members opposite some political advice. There is no question that there are problems with our tax system, but if members opposite keep going down this road on the GST, already the polling is indicating great nervousness within the community -

Mr Baker: You are cranking up the fear campaign again.

Dr GALLOP: It is not a fear campaign.

Mr Baker: Your Treasurer advocated a GST but it was not politically expedient and the fear campaign was cranked up. That is the truth of it.

Dr GALLOP: Let me put this political proposition to the member: When the Prime Minister raised the tax reform debate recently, did he agree there was an enormous amount of opinion running his way?

Mr Baker: Yes.

Dr GALLOP: The media, most business organisations and even ACOSS gave the impression that they were behind it. There was an enormous push in that direction. What has happened since then?

Mr Baker: Fear.

Dr GALLOP: No, this other group of people in the community - the last to be consulted, the people - are saying they are worried. They are expressing their concerns through the political process, and that is now starting to register in the opinion polls. It will be interesting to see how the Prime Minister, whose wet finger to the air approach to politics seems to be his only method these days -

Several members interjected.

Dr GALLOP: He has the wet finger to the air approach to politics.

Mr Johnson: We are about the only major western country that does not have a GST.

Dr GALLOP: Australia has been ahead of the rest of the world in many ways. That was a flippant response to the interjection. The balance between direct and indirect taxes in Australia is not as different as the member imagines. The balance is similar despite the absence of a GST.

The Opposition believes the GST is regressive, because people on lower incomes spend proportionately more of their income. Therefore, a tax on spending hits them relatively harder. I have never seen any compensation package that can overcome that problem, and I have also never seen any permanent solution to it. I know the Prime Minister will say that the Federal Government will cut income tax. However, people are not stupid; they know they might get a cut one year, but what will happen the year after and so on? Before they know it, there is no compensation.

Mr Baker: What are you advocating by way of tax reform?

Dr GALLOP: I will put forward two specific proposals to satisfy the member for Joondalup that I am responding to his questions. The Opposition will not accept tax reform that will see lower and middle income earners taking on

a greater share of the overall tax burden than they do currently. The Opposition's first proposition is that it will not accept new taxes until the people of Australia get proper value out of existing taxes, such as the income tax. There should be no new taxes until the existing income tax system is properly administered and properly produces the revenue for the people of Australia that it should.

I refer the member for Joondalup to today's *The Australian Financial Review*.

Several members interjected.

Dr GALLOP: *The Australian Financial Review* article points out that the Australian Taxation Office has investigated 100 of Australia's wealthiest taxpayers. It has revealed more than 2 500 entities associated with those taxpayers, including 550 discretionary trusts, 230 unit trusts and 20 charitable trusts. The Opposition agrees with the Australian Tax Commissioner: The annual tax free distribution of money from these trusts should be put on the agenda as part of the debate.

Mr Baker: Do you mean the income from charitable trusts?

Dr GALLOP: I am saying that the tax trusts issue should be put on the agenda.

Mr Baker: Do you propose to tax charitable trusts?

Dr GALLOP: I would not raise the issue of trusts if I were the member. I have been in Parliament a little longer than he has and I have seen what his Minister for Finance has done to look after his mates in this Parliament over the past four years. Does the member want to debate that in the community? He should feel free. His Government has looked after it mates through tax minimisation trusts.

Mr Johnson: Do you not think that it is time, as we approach the year 2000, that this country looked at putting all taxes on the table and re-evaluating their purpose and usefulness? We should be looking at whether we would be better with a GST, lower income tax and so on. We have so many taxes in this country it is unbelievable. There are 30 taxes, charges and fees.

Dr GALLOP: That is the member's position. The Opposition has assessed the situation and argued that many things can be done in respect of income tax reform and they should be considered before we talk about new taxes.

I also refer members to another statistic quoted by John Freebairn in his paper last week. This is a fascinating statistic that members opposite would do well to consider. In his paper he claimed that a 15.6 per cent GST, exempting food, health and education, would be necessary to replace the wholesale sales tax and payroll, stamp and financial institutions duties. That does not take into account the promise of income tax cuts. If that is the member's line, that is fine. We are talking about a 15.6 per cent GST before we look at income tax cuts to replace the taxes that members have been questioning today. Perhaps the member should consider that.

I refer now to the real issue that should be dealt with in the federal-state financial system debate; that is, how we reduce the vertical fiscal imbalance. I am very interested that members are asking these questions.

Mr Baker interjected.

Dr GALLOP: I hope the member is asking the Premier what is his position. He has not come into the Parliament, as I have -

Mr Baker interjected.

Dr GALLOP: Does the member think that some of the trusts that relate to income tax are there to avoid tax and should be changed?

Mr Baker: You mean to minimise tax.

Several members interjected.

Dr GALLOP: We should start with family trusts and family members. Does the member believe that we should look at that?

Mr Baker interjected.

Dr GALLOP: Of course he does not.

Mr Johnson interjected.

Dr GALLOP: That is the member's view; the member for Joondalup has a different view. It is interesting that I am willing to put the Opposition's position on the table but the Premier is not willing to put the Government's.

In 1992, an enormous amount of work was done on the federal-state financial system that would have reduced vertical fiscal imbalance. The proposal was that we could better share our income tax revenue and also open up avenues for State Governments to levy income tax without the problems associated with the Malcolm Fraser proposal back in the 1970s. He did not create any space for state income tax. The 1992 proposal was that, in the first instance, 6¢ in the dollar of tax revenue collected would be given to the States. Space would be created in the system.

Mr Pandal: That was not 1992.

Dr GALLOP: Yes it was.

Mr Pandal: I thought that was Fraser's proposition.

Dr GALLOP: No, that was quite different. He allowed the States to set income tax, but did not create any room for that to happen so it had to be over and above the existing collection. Under this proposal the Commonwealth Government would collect all the income tax and create a 6¢ in the dollar space in the system.

Mr Pandal: That was under Hawke.

Dr GALLOP: Yes, but it fell foul of the leadership change in 1992, so that proposal never became the basis for reform of the federal-state system. That was the first stage, with the revenue guarantee to the States.

The second stage, which was possible but not agreed to at that point, was to allow some flexibility for States to set their own rates. For example, they might not like some of the indirect taxes and may choose to impose a slightly higher rate of income tax and get rid of one of the indirect taxes. It would have allowed that flexibility and at the same time reduced the vertical fiscal imbalance. It was an era of real progress in commonwealth-state relations. It was led at the time by Bob Hawke as Prime Minister and Greiner as Premier of New South Wales, and was supported by the Labor States. It was close to achievement, but was hijacked by the leadership change in 1992.

The Labor Party feels the 1992 proposal should go straight back on the agenda for debate, and it could become the basis of reform of the federal-state system. The Opposition argues, firstly, that the amount of tax minimisation going on in the community must be examined before any new tax is considered. Secondly, consideration should be given to sharing the income tax revenue between the Commonwealth and the States, and a reduction in vertical fiscal imbalance should be addressed as a priority issue.

The strength of that position is that, first, no commonwealth constitutional change is needed. Second, much of the spade work has already been done by way of the intergovernmental work of the early 1990s. Third, it is not regressive. It is an approach to tax reform which guarantees that those who earn more money or have more wealth pay their fair share of the tax system. There is much evidence from the tax commissioner that they are not paying their fair share at the moment, and that should be given some priority. The work has been done, it does not require constitutional change, and it is not regressive. It is not a bad proposal to put on the table for debate, unlike the half-baked concepts we hear from the Government for a state based goods and services tax, which has constitutional and practical problems, and is of a regressive nature. In terms of accountability to the people of Western Australia, I argue that the Opposition is being much more up-front about these issues than is the Premier and Treasurer of Western Australia.

Mr Cowan: What a pity you have no credibility.

Dr GALLOP: I am concerned about the Leader of the National Party. Does he need a Panadol? Is it hurting a lot, or does it come and go? It was a very silly interjection, and it was not the normal type of interjection one hears from the Leader of the National Party when I put forward proposals. What is his view on tax reform? Does he believe in a state based GST?

Mr Cowan: You are entitled to have a position and I am pleased to hear you enunciate it but, if you expect the public to give you and the Labor Party any credibility, you should not because you do not have any.

Dr GALLOP: It is a bitter and twisted comment on the Deputy Premier's part.

Mr Cowan: Go and find out.

Dr GALLOP: No, that is not the issue. What is the Deputy Premier's view on a state based GST?

Mr Cowan: You are giving this speech.

Dr GALLOP: Talk about accountability. What is the Deputy Premier's view?

Mr Cowan: You can put forward a view as much as you like and it is quite right to do so. I am also telling you that you and the Labor Party have no credibility.



Dr GALLOP: That is the Deputy Premier's judgment. An interesting question is: What is the credibility of the Leader of the National Party? We do not know because he will not tell us the National Party's position on a GST.

Mr Cowan: We support it.

Dr GALLOP: National or State?

Mr Cowan: It should always be a nationally collected tax.

Dr GALLOP: That is huge centralisation of financial power.

Mr Cowan: Do you not think there is already centralisation of financial power?

Dr GALLOP: John Hewson's Fightback package was the most centralist package ever presented in Australian politics because of the GST.

Mr Cowan: There is no doubt that with the reform of the taxation package there must be the necessary constitutional changes to deal with commonwealth-state tax sharing arrangements. I am not disputing that for one moment, but you asked me about the GST and I am telling you.

Dr GALLOP: Why is constitutional change needed if there is not to be a state based GST?

Mr Cowan: For tax sharing arrangements.

Dr GALLOP: What will they involve?

Mr Cowan: There are two separate issues. One is taxation and that must be reformed. Everyone acknowledges that. The National Party thinks that instead of imposing tax at the point of earning, we should move more to imposing it at the point of expenditure. That has been clearly stated. When the GST was originally mooted, it was probably me more than anyone else who warned Hewson that his program would fail because it was not marketed properly - it was not the principle. It is an easy task to initiate a scare campaign. When people get sick of warning the people who do the shopping, generally the mums, about the extra cost of their day to day groceries, they then tell the fellows at the front bar of the local hotel that their grog will cost more. People do not tell them that the wholesale taxes which are applied selectively will be absorbed in the GST and there will be some reduced costs. That all disappears out the window. It is very easy to mount a scare campaign against a GST. Hewson and the federal National Party were warned of that. They failed to take notice and suffered the consequences.

Dr GALLOP: What tax sharing arrangements does the Leader of the National Party have in mind?

Mr Cowan: A pooling of all tax systems, with the States having a say in the tax structure rather than it being left to the Commonwealth. At the moment the States and the Commonwealth spend money, but the Commonwealth is predominantly the taxing body. That is not appropriate and the States must have an involvement.

Dr GALLOP: It would be interesting to see details of that model and how such a model would preserve the flexibility and autonomy of the States.

This legislation is just a stopgap measure. The Opposition appreciates the briefing given by Treasury on how it will operate. Opposition members understand that it will be difficult and complex. They understand that, given that trust funds were set up to receive certain forms of revenue collected by the State, the way taxes will be measured federally will be different from the way they were measured by the States, and that because different States have different levels of taxes for alcohol, tobacco and petrol, price neutrality will be difficult. However, we accept the work has been done to the best of the ability of our public servants to achieve that end. The Opposition supports the legislation.

My central point is that it can be only a stopgap, and that federal-state relations must be put on the table. I call on the Treasurer to establish a proper process whereby interest groups can put forward ideas on how to reform federal-state relations rather than this matter continuing to be covered in a cloak of secrecy. We should be considering tax minimisation schemes, which have already been made available to wealthy Australians, and the proper sharing of income tax collected in Australia, which was recommended in 1992 as a solution to vertical fiscal imbalance, before considering imposing any new taxes on the Australian people - new taxes that without a shadow of doubt will impact most severely on those least able to pay. That is a simple Labor principle. Government members may call it a scare campaign, or whatever they like, but it is simply the Labor Party taking its political position on the tax reform debate agenda on behalf of the majority of hard working Australian people, rather than on behalf of big business in this country.

**MR PENDAL** (South Perth) [12.21 pm]: This debate has been flagged by many, not only in Western Australia but around Australia, as having resulted from the villain in the piece - that is, the High Court. Although occasionally in

the past decade the High Court has been less than supportive of the notion of federation in Australia, I suggest that the villain is not the High Court but the Australian disease of indifference and inaction. I also propose that a lot of scaremongering has been carried out by a range of people about the impact of the High Court decision on state finances and the balance between commonwealth and state fundraising.

I begin by going back to 1984 and mentioning a person who was not perceived at that stage to be any great friend of the States; yet, in hindsight has been a great friend of the States. I am referring to Professor Cheryl Saunders, who is sometimes criticised by the non-Labor side of politics as being centralistic in her views. Yet it was Cheryl Saunders who published a paper in 1984 which, if taken seriously by all of us in the public arena, both federal and state and from across the political spectrum, may well have avoided the situation in which we now find ourselves. Professor Saunders put forward a very well-argued paper, as one would expect from someone who was constantly considered for appointment to the High Court, which argued in favour of constitutional change so that the States could impose excise duties.

The High Court's decision effectively says that the duties, levies and licences that the States impose on fuel, liquor and tobacco are excises and therefore are invalid state taxes because, under section 90 of the Constitution, that is exclusively in the domain of the Commonwealth. Yet, Cheryl Saunders, allegedly from a position of some lack of sympathy for the States, argued 13 years ago in favour of constitutional change that would have provided the States, and for that matter the Commonwealth, with the vehicle to remove the doubt over those levies and licences. That is why I say that the villain in the piece is not the High Court, but the inaction of all of us who ignored the warnings for 13 years.

The High Court's decision was an accident waiting to happen. People have suspected for 20 years that liquor, tobacco and fuel levies have been in constitutional doubt, yet we have continued down the path of inactivity and inattention. That is the great tragedy. Once again the States of Australia - and I am a federalist to the bootstraps - have gone down that path of inactivity and we are now paying a terrible price, although, I suggest, not such a terrible price as is being argued by some State Governments.

Mr Board: While it is a tragedy, it may have been the catalyst we needed for fundamental tax reforms as we race towards 2000.

Mr PENDAL: I agree with the Minister. Some good may come out of all of this, but I am not holding my breath. While I admire many of the attributes of the current Prime Minister, one thing I do not admire is his tendency towards economic centralism.

Mr Cowan: I hope you don't include the Treasurer in that.

Mr PENDAL: No sympathy comes from the Treasurer. He will be one of the great restoratives of the Labor Party's fortunes in Australia. Mr Costello reminds me of Mr Keating 12 years ago.

Mr Carpenter: Don't mention him in the same breath. He is a hopeless fraud! Keating had something; he's got nothing.

Mr PENDAL: Mr Keating started out the same way.

Mr Carpenter: Costello is a fraud! Everybody knows that.

Mr PENDAL: That is the base on which Mr Keating made his start.

I would love to think that the Minister for Works is right, but I am not holding my breath. Paul Kelly, probably one of the most astute political journalists in Australia, said only a couple of weeks ago in the wake of the High Court decision -

John Howard is a closet centralist. He will be reluctant to tackle any renegotiation of the balance of financial power in the federation for two reasons.

I hope the Minister for Works heard that. Mr Howard will show no sympathy on those grounds; so the States will have to do better than to try to attract the sympathy of the federal leader. That is the argument I will develop in this debate.

Many people see the High Court decision of 5 August as utterly disastrous for state finances. The doomsayers have said that the High Court decision has effectively chopped off the States' legs and put them in a wheelchair. The decision has so disabled state finances that the States are, in a political sense, paraplegics. That is not true and is too great an exaggeration, and the figures I will put forward will bear that out. I am not minimising the problem because we have indeed been seriously disabled, but not to the extent claimed. Western Australia will lose \$604m in the collection of not only tobacco tax but also liquor and fuel excises.

Incidentally, fuel and tobacco have not been dealt with and were not dealt with in the High Court of Australia decision of 5 August. My point is this: Notwithstanding that we have had our legs amputated by the High Court, that is as bad as it got. If this state Budget comes out on target in the next nine months, we will still have raised through our internal sources in this State just over 53.9 per cent of revenue. Admittedly that means we must now try to claw back from a position which we produced for ourselves; the other States have done it, too. Based on figures I have worked out, formulated on the 1996-97 summary of consolidated fund transactions tabled yesterday by the Treasurer - this underscores the point that the decision has not disabled the finances of this State; that is a nonsense; that decision has not chopped us off at the legs and put us into wheelchairs -

Mr Riebeling: They chopped off the leg that we grew for ourselves.

Mr PENDAL: I disagree with the member on that. We grew the leg in the sure knowledge that some day it would be amputated by the High Court and we missed the opportunity that Professor Cheryl Saunders referred to when she said that the Constitution should have been changed to give the States access to excise. When Mr Berinson was the Minister for Budget Management in another place, I asked him whether he agreed with Professor Saunders, as I hoped he would. He said yes, but that those in the Labor Party believed it should be a concurrent power, not an exclusive power for the States. That is exactly what Professor Saunders was saying.

To put it in perspective: In the current state Budget - I hope my calculations are right; if they are not, I will be guided by people who know more about it - we have lost \$604m or \$605m. That represents 22.8 per cent of our state tax base. Of the total government revenues that we raise - we raise revenue other than from taxation - that \$604m represents a dent of 14.6 per cent. No-one can say that is a mortal body blow or paraplegia. It is serious, but in the overall context the Commonwealth will now provide us with that \$604m by way of reimbursement. These taxes now become federal taxes or excise. In the current financial year the Commonwealth will provide 37 per cent of our budget. We will still provide 53.9 per cent.

When I first came to Parliament the situation was nowhere near as good as that. The budget records of 10 or 12 years ago show that we were providing less than 38 per cent of our budget from our own resources. The commonwealth dominance of state finances was about 62 per cent. To its credit -

Mr Cowan: The thing that you have overlooked in your dissertation is that the rate of taxation claimed from the State of Western Australia has grown considerably. Although we have had to find a greater percentage of our own financial resources, the Commonwealth has similarly taken a greater percentage of revenue from this State. That is a double whammy.

Mr PENDAL: I am not denying what the Deputy Premier has said or that we are getting a smaller return of the income tax take; I have not even touched on it. However, I am saying that the harshness of the measures applied by successive Commonwealth Governments - Liberal Governments and Labor Governments are as greedy as one another; it makes no difference which is in office - has meant that State Governments, such as that of which the Deputy Premier is the number two man, have been innovative enough to find other sources of revenue. Of course, he would be inclined to say that they are all odious forms of taxation. I do not know a source of taxation that is not odious. I agree with him that there must be a better apportionment of the income tax take. Of course, that is what the Prime Minister, correctly, has in mind when he talks about the introduction of a goods and services tax.

I am simply making two points: First, I refer to our inaction over the 13 or 14 years when we could have put excise duties beyond the realm of any challenge in the High Court. Then we had someone, an eminent person in the law, on our side. We had a collection of State and Federal Governments that might have been accommodating enough to have sought constitutional change. Earlier the Leader of the Opposition said that reform of the Constitution in Australia has been a bit on the slow side, and that is true. I do not think that is an accident. The people of Australia know exactly what they have done over the years when they have rejected successive referendums. They erred on the side of caution and conservatism, and that is not a bad thing.

One of the glimmers of hope has been the formation of what the Premiers and the Chief Ministers call the Leaders' Forum. Beyond Premiers' Conferences, they meet without the Commonwealth; that is, without the Prime Minister and the Federal Treasurer. It is the first display of initiative on the part of Premiers, instead of their whingeing, which they have done continually - whether they be Liberal or Labor - for the past 40-odd years, since the uniform tax case was decided. I have in this House commended the current Premier for seeking, along with Mr Kennett and Mr Carr, to establish this Leaders' Forum. The glimmer of hope is that they are prepared to meet away from the Commonwealth and to create their own tax agenda.

It seems to me that there is now a historic opportunity to do some of the things that the Leader of the Opposition has mentioned in the House today. Like he and the Deputy Premier, I agree there must be reform; however, the reform always breaks down because the party out of office invariably sees the opportunity to whack the incumbent

Government around the neck and make it politically difficult for the Government to bring about reform. The glimmer of hope with the Leaders' Forum might put a stop to that. Perhaps that forum should expand its membership to include one other person from every State; that is, the Leader of the Opposition. We would then have a genuine forum of the senior state leaders - every Premier, every Chief Minister and every Leader of the Opposition. It has been remarkable that in the short three or four years that the forum has been going, it has shown the capacity of the Premiers to meet and put politics aside. The Leaders' Forum could go even one step further by inviting the Leaders of the Opposition from the States and Territories to join the Premiers and Chief Ministers. That would take out the strident tones we heard today from the Leader of the Opposition. My final point on this matter is this: It could give the States and Territories the bargaining chips that up to this point they have lacked.

For example, if the Leaders' Forum were expanded to take in the Leaders of the Oppositions, it would be a good proposition to put to the Commonwealth that the States would oppose a goods and services tax until the Commonwealth agreed to a fundamental change in tax reform for the States. That might be to say to the Commonwealth that it must agree to alter section 90 of the Constitution to restore what we thought we had before it was knocked out by the High Court on 5 August, and in turn we will agree to have a GST introduced across Australia. I am not suggesting that it is as simple as that because, if the Commonwealth allowed us access to the section 90 revenues, we would be getting access to indirect taxes at the same time we were giving the Commonwealth the right to impose a GST. An adjustment may be necessary.

The States and Territories have the capacity to get together and demand that bargaining chip and then offer the Commonwealth something it cannot refuse. It would put Mr Howard in a panic if he thought one or two major state leaders, particularly from the Liberal or National sides, such as the Premier of Western Australia or the Premier of Queensland -

Mr Cowan: No it would not.

Mr PENDAL: Why not?

Mr Cowan: For the very reason you first suggested; that is, he is more inclined to do nothing than to take any action at all, and this would be an excuse for him to do nothing.

Mr PENDAL: My suggestion about Mr Howard doing nothing was based on what Paul Kelly said; that is, Mr Howard would end up doing nothing in commonwealth-state relations because he is a closet socialist. Mr Howard is undoubtedly committed to bringing in a GST. He removed all doubt about his intentions when he returned to work from his bout of pneumonia. He is heading down that path. He desperately wants a GST. He probably wants to be the Prime Minister to bring about the greatest level of tax reform the nation has seen since the Second World War. We have the chance to say to the Prime Minister that we will do what he wants, but in return he must give something to us. What are we demanding from him? We are demanding constitutional change; that he sponsor a change, perhaps to section 90 of the Constitution, and that we all lock ourselves into that change. We would then not leave ourselves in the position that the Leader of the Opposition mentioned today, in which constitutional change was invariably thwarted because one or two people held out from it.

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

Mr PENDAL: I finish at my starting point. What a great pity it was that successful State Governments here and elsewhere ignored the invitation that was inherent in Professor Saunders' plea in 1984 that section 90 be changed and that the States be given access to excise duties of their own. Had that occurred, the High Court could not have dealt with the matter on 5 August this year. Why? It is because a referendum of the Australian people would have legitimised an excise duty and the State would not have been left in the position of losing \$604m in revenue. It is the old story of blaming other people: When a person points his finger at someone in blame, there are always three fingers pointing back at him. We have been the ones doing all the whingeing. There has been little innovative thinking.

A historic opportunity existed on that occasion. More opportunities are available, but only if we take the politics out of it. The Leader of the Opposition brought that home to us today. By the removal of that political element and the injection of an all party state and territory bargaining chip approach to the Commonwealth we could still achieve in this country what has eluded us for more than half a century. It is a pity we must bother about a Bill today, but I know it is crucial to our finances that we do. However, it is a pity that in September 1997 we are doing something that would not have been necessary had some of our leaders shown a greater deal of foresight. It is my plea that they do not continue showing that lack of foresight, because we could genuinely restore the balance in the federation. I support the Bill.

**MR RIPPER** (Belmont - Deputy Leader of the Opposition) [12.46 pm]: I agree with the member for South Perth when he says this problem has been waiting in the wings for a long time. There has been doubt about the

constitutionality of the charges which the State has been making and which have been ruled invalid by the High Court. I do not agree with the member for South Perth when he says it is all the fault of the States because they have not been doing enough to deal with this problem. I was a member of the Lawrence Government in 1991-92 that made a determined effort to secure reform of relationships between the Commonwealth and the States. That was in the context of the process in which Nick Greiner and Bob Hawke were prominent. Many ministerial meetings were held to sort out the problems of duplication between the Commonwealth Government and State Governments.

As the Leader of the Opposition pointed out, in the end that process came undone because of the challenge to Bob Hawke's leadership from his successor, Paul Keating. There was always considerable reluctance in federal political circles to give up the power it would have had to give up if, as a country, we were to overcome some of the problems of vertical fiscal imbalance and duplication between the Commonwealth and State Governments. In part, Paul Keating was able to exploit that reluctance among federal politicians to give up some of their powers, but the cost to the country was that it did not make any progress towards solving the problem with which it is still dealing.

I do not challenge the legal validity of the High Court's decision. It has long been an arguable matter that the charges that have been ruled invalid were always invalid. However, the constitutional impact of the decision is most regrettable. The political impact may not be negative. It may be, as some have already argued, that this decision will be the final spur to promote the necessary reform in commonwealth-state relations. If that reform does not occur, the decision of the High Court will have significantly worsened the position of the States and added to the problems of accountability in our federation.

Let us look at the situation. The Commonwealth raises most of the money. The States are responsible for spending on services that are most important to the Australian community. With this reduction in the States' ability to raise revenue, a danger exists that the States' position in the federation will be weakened considerably. In the long term, the danger is that the States will become mere administrative agents of the Commonwealth. That would be okay if one lived in New South Wales or Victoria; however, the longer I spend as a Western Australian state politician, the more I recognise the importance of decisions being made here and the difficulties that can arise when people in Canberra make decisions on the conditions which apply in the States

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Continued on page 6119.]

#### STATEMENT - MEMBER FOR THORNLIE

##### *Rock Eisteddfod Challenge*

**MS McHALE** (Thornlie) [12.50 pm]: So often in this House we hear about the distress, the alienation and the very real drug problems that face our young people. Today I want to celebrate our young people and recognise last week's Rock Eisteddfod that was attended by me, the Minister for Youth Affairs and a couple of his government colleagues.

It is worth putting on record the creativity, energy, the innovation in music and dance and the excellence that our students demonstrated at the Rock Eisteddfod. It was the final of the Rock Eisteddfod Challenge, at which 14 schools presented their creative choreography: 10 state schools and four private schools. The Rock Eisteddfod Challenge is a performing arts competition involving secondary schools around the globe. It focuses our youth on the fact that they can have fun and be creative without using tobacco, alcohol or other substances. It communicates a health and social education message.

I will put on record the first five placegetters from the Rock Eisteddfod Challenge: First place, Perth Modern School; second, Ocean Reef Senior High School; third, Guildford Grammar School; fourth, Mercedes College; and fifth, St Joseph's College. There were boys, girls, private and public schools. The excellence they presented was fantastic.

#### STATEMENT - MEMBER FOR GERALDTON

##### *Heated Swimming Pool in Geraldton*

**MR BLOFFWITCH** (Geraldton) [12.52 pm]: I bring to the attention of the House the plight of the Geraldton City Council in trying to provide a heated swimming pool to the citizens of Geraldton. The total budget for the project is around \$6.5m. That sounds an extraordinarily large sum of money; however, it is set down in a detailed analysis of the plan.

Members might ask why Geraldton would require an indoor heated pool facility. Geraldton has a good water polo team; however, water polo finals must be held in a heated pool and consequently the Geraldton team must travel to Perth for all its finals competitions. The many sick and infirm people in the Geraldton community and those with

disabilities need a properly equipped heated pool. If Geraldton were to host state or national swimming competitions, it would need a 50 metre heated pool facility. The Geraldton City Council has committed almost \$3m to this project. It has been let down by surrounding shires that have given next to nothing. That is a great illustration of why we need to look urgently at donut councils.

#### **STATEMENT - MEMBER FOR PEEL**

##### *Kwinana Freeway Extension - Toll*

**MR MARLBOROUGH** (Peel) [12.54 pm]: I want to talk about the social dividend that the member for Dawesville and the member for Murray-Wellington would inflict on their constituency and mine if they had their way. They have come up with a bright idea to support the extension of the Kwinana Freeway beyond Kwinana; however, they want to put a toll on the freeway. That is the way forward says the member for Dawesville. An article in the *Mandurah Mail* stated that Mr Marshall supported the idea. The article states -

Sport programmes that offered two thirds state and local government funding and one third contributed by the community had enabled state of the art sporting facilities to be developed years ahead of time.

"With the Kwinana freeway so important to Peel, a user pays line of thinking could hasten the project," he said.

I do not know whether the Government will support either member, but all roads do not lead to Mandurah! The Kwinana Freeway is probably the most important road to the south in this State. It takes people to the great south west tourist attractions, which everyone will want to visit. However, on behalf of the Government, these members want to commit to putting in place a regime whereby everyone will be taxed for driving south. This bright idea was promoted by the great thinking federal member for Stirling - the vacuum cleaner! The only toll that will work for these two members is - for whom the bell tolls!

#### **STATEMENT - MEMBER FOR SOUTHERN RIVER**

##### *Extremely Disabled War Veterans' Association*

**MRS HOLMES** (Southern River) [12.56 pm]: I recently attended the inaugural annual general meeting of the Extremely Disabled War Veterans' Association which was held at the RSL headquarters in Perth. At the meeting its founder, Mr Don McPherson of Gosnells was made a life member. His enthusiasm and hard work in starting the association has certainly paid off, with over 200 members joining since it began a few months ago. Don McPherson must be commended for his hard work in starting the association to help the carers and the extremely disabled war veterans who are among some of the most frail and significantly disabled residents in this State.

A carer, Mrs Aurelie Bergin, was re-elected as association president, and she is supported by a very enthusiastic and competent committee. I have been asked to be the state patron for the association and one of my first tasks will be to help the association realise its ambition to become a national organisation. Once the association goes national I know it will be a great source of support and provide benefits to the carers and the seriously handicapped veterans who belong to other war veterans' associations around Australia. Currently, various associations look after the veterans but they do not specifically look after those who are so disabled that they cannot leave their homes. Membership is made up of carers, as well as handicapped veterans. They have many problems and I will attempt to help them.

#### **STATEMENT - MEMBER FOR WILLAGEE**

##### *Homeswest - Sale to Mr and Mrs Harry*

**MR CARPENTER** (Willagee) [12.57 pm]: I bring to the attention of the House what is, on face value, a major injustice which has been inflicted upon two of my constituents - Arthur Harry and his wife Amy Harry of Malone Street, Willagee. Mr Harry is 70 years of age and his wife is 65. They were Homeswest tenants at 6 Malone Street, Willagee for 43 years until they were offered the right to buy their home last year, based on a valuation provided by Homeswest in 1995 of \$108 000. They were given a discount of \$20 000 for their 43 year tenancy. They went ahead with the purchase, only to find that the house next door at No 8 - a house and block of the same size - was subsequently sold for \$93 000 by Homeswest. No 4 Malone Street was sold at block value; that is, \$72 000. In other words the Harrys were offered the house for \$108 000 but the price was subsequently reduced to \$88 000 for their 43 year tenancy. That was supposedly a \$20 000 discount. However, the properties on either side were subsequently sold at a much cheaper price, without any discount being involved. Given their long term tenancy and the improvements they have undertaken to the property, this couple has suffered a major injustice. The Minister should look at the situation which led them into this predicament. He should also look at the valuations being done by Homeswest.

**STATEMENT - MEMBER FOR VASSE***Canal Rocks Footbridge*

**MR MASTERS** (Vasse) [12.59 pm]: I speak on the need to urgently replace the footbridge at Canal Rocks, south of Yallingup and immediately south of Smith's Beach. For the more deprived members of this place who have never visited Canal Rocks, it is a unique geological feature on the coastline of southern Western Australia. The rocks in the general area are hard crystalline rocks about 600 million years old; and at Canal Rocks, a major fault line has caused the two sides of the canal to slip sideways in relation to each other. Over geological time, this fault line has weakened the rocks and allowed erosion to occur. Today, the fault has been eroded, creating a channel or canal between two ridges of rock.

The reason for Canal Rock's popularity is not only that the site is an attractive scenic wonder of nature, but also that it provides a comparatively safe fishing area where the danger of king waves is significantly reduced. As a result, after parents have dropped off their teenage children at Smith's Beach where the surfing is excellent, they can spend a leisurely hour or two safely fishing at Canal Rocks.

I understand the Department of Conservation and Land Management is pursuing the replacement of the footbridge that allows people access to an island section of Canal Rocks. I commend those efforts and hope that the bridge will be replaced in time for Christmas. I also commend Lawrence Paul, locally known as Scruffy, for his great achievement in obtaining almost 1 000 signatures on two petitions to help promote the replacement of the Canal Rocks footbridge as a matter of great urgency.

*Sitting suspended from 1.00 to 2.00 pm*

**[Questions without notice taken.]**

**DEPUTY CHAIRMAN OF COMMITTEES***Appointment*

**THE SPEAKER** (Mr Strickland): I advise the House that I have nominated the member for Wagin as a Deputy Chairman of Committees until 26 September 1997.

**APPROPRIATION (CONSOLIDATED FUND) BILL (No 4)***Second Reading*

Resumed from an earlier stage of the sitting.

**MR RIPPER** (Belmont - Deputy Leader of the Opposition) [2.38 pm]: Before the lunch suspension I was discussing the difficulties for the States posed by the High Court decision to invalidate a significant part of the States' revenue raising capacity. I spoke about the problem caused by the Commonwealth's capacity to raise most of the money and the States' responsibility to spend that money on services which the community regards as most important.

I spoke also about the possibility that the States in the long run would become a mere administrative agent of the Commonwealth if the long process of removing their financial autonomy continues. Also, such developments pose a significant challenge to accountability in our democratic processes. State and Commonwealth Governments already have far too much capacity to pass the buck between them wherever a problem arises; therefore, our citizens have difficulty determining who is to blame when failures occur in public policy. We saw a recent example of this when the Opposition criticised the State Government for funding cuts in public hospitals, and the Premier responded by saying that the problem was caused by the Federal Government. Who does the citizen blame? The Federal or State Government is to be made accountable, but each says the other is at fault. This activity is not restricted to the Liberal Government, but we are seeing an example of the dilemma at the moment. If buck passing is a problem, so too is making false claims of credit for something good arising from public policy. Often the State Government will claim credit for benefits flowing from a federal initiative, and federal politicians are also not beyond claiming credit for state initiatives.

Again, a recent example of credit claiming was seen shortly before the last State election when the Premier made an announcement about a large amount of money being directed to a 30-year program to combat salinity in Western Australia. He hoped that the lion's share of that money would come from the Federal Government. There is a problem with accountability in buck passing and false credit. In those examples, the Premier engaged in both. In the long run, that practice is to the detriment of our democracy. Governments should be held accountable, and voters should know which Government is responsible for which problem and which success.

A further problem with the current financial situation, apart from the States' limited capacity to raise revenue, is that

the revenue raising measures available to the States are by and large, so to speak, the least advantageous taxes; that is, they are taxes that one would not choose to impose if one had a choice of the full range of taxation options. State taxes and charges are regressive in their impact and hurt low income people more than alternative forms of taxation which, unfortunately, are not available to the States.

Significant reform must occur in commonwealth-state financial relations. I hope that something like the process which took place in 1991-92, sponsored by the then state Liberal Nick Greiner and federal Labor Bob Hawke, can be resurrected. This serious problem will erode the States' role in the federation, if we are not able to solve it. Unfortunately the whole reform debate has been hijacked by the pro goods and services tax lobby. We should be talking mainly about commonwealth-state financial relations, but we were shifted onto tax reform. Having been shifted onto tax reform, we were shifted onto the question of a GST, yes or no, as the main issue. The GST should not be the main issue for discussion.

The main issue is commonwealth-state financial relations. The GST is not to be supported. If state taxes are already regressive, a GST would be equally or more regressive and have a harmful impact on low income people. The GST supporters would say, "You can have a compensation package which will make it less regressive." The problem with compensation packages is that it is very difficult to design one which will compensate everyone who is negatively affected by a GST. There is no guarantee that such a compensation would last. I was speaking recently to a New Zealand Labour politician. She said that when they introduced the GST they had a compensation package, but later on they increased the GST rate and, because of financial stringency, no compensation was given for the increase in the rate of the GST.

Mr Court: You cannot trust labour parties.

Mr RIPPER: People cannot trust any politicians when it comes to taxation issues over the long term. People might get compensation when a GST first comes in, even though it might be inadequate, but there will be no long term guarantee that compensation measures will continue and, in particular, if the tax is increased that they will be adjusted to take account of the increase.

Mr Board: The first question that the Leader of the Opposition put to the Premier today pointed to the fact that a certain number of people in our community are able in some way to avoid paying their fair share of taxation. Surely that is what a GST is all about; it is a more equitable way in which to pay tax.

Mr Court: If people buy an aeroplane they will have to pay tax.

Mr RIPPER: I understand that argument. I was about to come to it. People who argue that a GST will be no more regressive than the current position are passively accepting the failure of the wealthy to pay their fair share of tax. They are saying, "Affluent people are able to avoid tax. We cannot get them through the income tax system. We will take second best and at least make sure that they pay the same amount of tax as everyone else by taxing them when they consume." That is not a progressive system of taxation but simply applying the same rate of taxation to all. It is a flat rate system. I support a system of taxation based on people's capacity to pay. People on high incomes should pay a higher proportion of income in tax than those on low incomes.

Mr Board: You are ignoring the two other fundamental reasons for a GST: One is the incentive of a lower average rate of tax and the other is to encourage savings. Both of those issues are important to the national economy.

Mr RIPPER: I would be very sceptical about the impact of a GST on savings ratios.

Mr Court: That was the argument Paul Keating used.

Mr RIPPER: I opposed it at the time John Hewson supported it and I oppose it now. I have been consistent in my attitude to a GST. Whatever the technical merits of a GST, I oppose it because I regard it as harmful to my constituents, whom I represent as a Labor politician, and to people on lower incomes.

Mr Court: Your electorate is going up market.

Mr RIPPER: That is true. Housing and land prices in my electorate are rising. People regard it more and more as an attractive place in which to live.

Dr Hames: Thanks to Homeswest initiatives.

Mr RIPPER: The Minister for Housing has drawn attention to Homeswest's participation in the attractive redevelopment of the area. During the previous Labor Government, as much as \$40m was spent on redeveloping Homeswest housing in my electorate. I am pleased to see that Homeswest under this Minister is continuing its redevelopment activities in the region.



I regard the present pro-GST push as being essentially anti-democratic. People have had a number of opportunities to speak on this matter. People spoke decisively in 1993 when they re-elected an unpopular Government led by an unpopular Prime Minister -

Mr Court: You never said that before!

Mr RIPPER: That Government was widely held to be responsible for a recession. The GST issue caused the Liberals to lose the unlosable election. Only in 1996 did people feel able to vent their negative feelings about that Government which they did not vent in 1993 because of the threat of a GST. They voted very strongly against a GST in 1993. Politically, the Liberals were not able to have a GST on their agenda in 1996. The attitude of the Australian public is quite clear, but the business community and various economic ideologues have maintained their support for a GST. They are trying to push it once again in the knowledge that the Australian public have decisively rejected this proposal. At the last election, the Liberals were not even courageous enough to have a GST on the agenda, such was their judgment of the feelings of the public. I do not regard taxation reform as the key issue in the reform of financial matters in the Australian public sector. I do not regard the GST as the key issue.

Mr Court: I agree with both of those comments.

Mr RIPPER: I am surprised. I hope that the Premier will agree with a few other comments that I will make. It is most important to do something about vertical fiscal imbalance. We need to give the States a guaranteed share of the income tax revenue received by the Commonwealth. The Commonwealth should also reform the income tax base so that the avoidance of tax, which has been discussed by the Australian Taxation Office, is done away with and instead of Governments passively accepting the failure of the wealthy to pay their due share of taxes, the loopholes should be closed and genuine progressive taxation restored to the Australian income tax base. Such an outcome would reflect the original constitutional settlement which provided for state and commonwealth roles. It would give the States a share of a taxation base which will grow in conjunction with the economy and it will maintain a progressive taxation system. I believe such an outcome would be supported by the Australian population.

Another area which needs to be reformed in commonwealth-states relations is the duplication between commonwealth and state agencies. Every Minister present with some commonwealth responsibility and every member on this side who has been a Minister will agree that there is far too much duplication between Commonwealth and State Governments and far too much overlap. In 1991, some Governments tried hard to reform this situation. The Lawrence Labor Government made a determined effort, as part of that process involving Bob Hawke and Nick Greiner to which I have referred, to overcome some of the duplication. Unfortunately, those efforts were unsuccessful, and we need to try again.

There is too much involvement of the Commonwealth in issues that are the States' responsibility in areas such as education, health and welfare. All of us who have been Ministers and are Ministers have gone to commonwealth ministerial conferences where there is an army of commonwealth bureaucrats who always present last minute, wordy resolutions that are given to Ministers five minutes before the debate begins and that seek to exert some undue commonwealth influence upon areas that should be the province of the States. A lot of money is spent on those conferences and on the duplication of policy advice in areas that should be the States' responsibility. I acknowledge that in this process of reform we will also have to consider giving up some of the States' rights in certain areas so that we get a more rational and commonsense approach.

Mr Board: What is your opinion about the Commonwealth entering into international agreements without consultation with the States?

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

Mr RIPPER: That can be a problem, because the Commonwealth, by using its external affairs powers and following previous High Court decisions and precedents, can in principle enter into a treaty that will affect significant areas of States' powers and take over what should be an area of the States' responsibility.

That is one of a number of mechanisms by which commonwealth power is granted at the expense of the States. We need to achieve some rational allocation of responsibilities and powers. That may require the Commonwealth to withdraw from a number of areas that should be the responsibility of the States, and it may require the States to consider withdrawing from some areas that could more reasonably be handled by the Commonwealth. It presents risks for everyone involved in the process, but we owe it to the Australian people to deliver a more efficient system of government.

Now that the Minister has blotted his copybook by forcing the Treasurer to listen to me for another few minutes, I will say that the Opposition supports this legislation. As the Leader of the Opposition said, it is a stopgap measure. There must be a reform process in this country. It should be targeted at vertical fiscal imbalance and duplication of

commonwealth and state functions. It should be aimed at taxation reform. It certainly should not be aimed at a goods and services tax.

**MR BROWN** (Bassendean) [2.53 pm]: The Appropriation (Consolidated Fund) Bill (No 4) raises the question of state based taxes and the taxing arrangements between the Commonwealth and the States. It is perhaps apposite to raise this matter at this time given the nature of the debate that is taking place about this matter, and particularly about the introduction of a goods and services tax as one way of overcoming the taxation problems in Australia.

I am always intrigued when I read public sentiment that favours a goods and services tax. Many people, including the Treasurer, advocate the introduction of such a tax because it will overcome a significant number of problems -

Mr Court: I highly qualify any support I give to a GST, and you know it.

Mr BROWN: It is interesting that the Treasurer says that. He does not highly qualify it too much in his public statements.

Mr Court: I have always qualified it in my public statements. The first qualification is that I will never support a GST that does not flow on to a considerably lower rate of income tax. The second qualification is that the States must receive a fair share of any GST that is introduced.

Mr BROWN: The introduction of a GST will not necessarily overcome federal-state fiscal problems.

Mr Court: Sales taxes are already up to 30 per cent.

Mr BROWN: That is right. A GST will mean simply that the money will be directed to the Commonwealth Government, and no Commonwealth Government, irrespective of its political persuasion, has shown any enthusiasm for the notion of sharing on a percentage basis the increases in revenue that it has received over the years.

Mr Court: If the Commonwealth does not have it in its heart to give back a revenue share to the States, we will not get anywhere with the taxation reform agenda. The States will not support tax changes if there is not major reform of the sharing arrangements.

Mr BROWN: I understand what the Treasurer is saying, and it will be interesting to see whether the current Commonwealth Government, with its political persuasion, agrees with that. In the past the Commonwealth has not been prepared to do it, and the arguments that it has advanced have included the broader questions of economic policy and budgetary constraints. I am not sure how any changes will be enshrined in legislation if it is not done by enacting joint commonwealth-state legislation. In other areas of commonwealth-state financial arrangements, changes are made only with the agreement of all commonwealth and state Ministers, and complementary legislation is enacted in both Parliaments. It may come about, but it will be a big ask.

The other issue that must be examined in looking at a GST and the so-called public support for a GST is what it will achieve. It is interesting that people are saying that if we introduced a GST we could reduce direct taxation; and obviously we would need to do that. They are saying also that we could overcome the problems with the wholesale sales tax. That may or may not be the case.

Mr Minson: Why would it not be the case?

Mr BROWN: I am glad the member for Greenough asked that. The reality with the wholesale tax exercise is that it is an imprecise tax, and it is a tax where there are arguments about what is the commodity and, therefore, what tax rate should apply.

Several members interjected.

Mr Kierath: I thought you would take interjections.

Mr BROWN: I will be like the Minister: I will deal with them one at a time.

Mr Kierath: So you acknowledge that I answer them?

Mr BROWN: I do not acknowledge anything. I listen to the interjections and reply to them. I am replying to an interjection by the Minister's colleague. If the Minister wants me to ignore that interjection and deal with his interjection, I am happy to do so, but if he wants to be a little courteous, I will deal with his colleague's interjection first.

Although there are problems with compliance, and with product definition and, therefore, the tax rate that is applicable, what wholesale sales taxes do is differentiate between basic items that do not attract the tax, such as bread and milk, and other items that attract the tax.

Mr Minson: That is not quite true. Take the wrapper in which the bread is wrapped, and take the tyres on the truck that carts the bread. If you multiplied that and followed through all of the wholesale sales taxes, you would find that virtually all goods had significant sales tax levied upon them. I am not being frivolous. If you did the exercise you would see that a 500 gram tub of margarine was probably carrying more tax than it would if we had a straight GST at the supermarket till.

Mr BROWN: I would be very interested if that were the case. If it is, if the member is suggesting to me that even basic foodstuffs currently attract a tax equivalent to a 15 per cent GST, that effectively means that no additional tax will be collected. If there are no -

Mr Minson: That depends on the amounts.

Mr BROWN: We are talking about 15 per cent.

Mr Minson: The member should think about this; I am not being silly. Even the tyres on the truck that the farmer uses to deliver his grain attract wholesale sales tax, and that is hidden. If one says that to people in the street, they say they have never heard about it. Many things attract that tax. Sometimes the tax is on the tax. By the time one reaches the end product, there is significant tax and people do not know.

Mr BROWN: I am not saying that the system is perfect. However, if one looks at the things that it exempts and what will be caught by a GST, one sees that people on lower incomes will pay much more for the notional basket of goods. Compensation can be paid.

Mr Minson: Do you not agree that, if that is true and the Government accepts it, it can make adjustments to family payments, which was always going to be done? At the moment, it is not possible.

Mr BROWN: That presupposes that, first, one would increase family payments and other payments and, second, one would also change the tax scales in such a way that there would be appropriate compensation. The Hewson formula to change the marginal tax rates for PAYE taxpayers gave a very small tax reduction to low income earners and a windfall to high income earners. If that is done in respect of compensation packages, that is grossly unfair, because it does not share the burden. Given the basket of goods purchased by low income earners and the fact that they have less, if any, discretionary income when compared to higher income earners, we must look at a different compensation package.

Mr Minson: Hewson addressed that in the mark II version.

Mr BROWN: That version ran out of money.

Mr Minson: He talked about the family payments being adjusted.

Mr BROWN: He ran out of money in that version. We are in the very early stages of this debate, but the Prime Minister has been asked the following very telling question: Will he guarantee that if he simply shifts around the way the tax is collected and does not impose extra taxes, no-one - apart from tax avoiders and so on - will pay any more tax? The Prime Minister has not answered; he has ducked and dived.

Mr Barnett: It is an impossible request. You can give a guarantee if you want to define a typical household or rates, but to say no person will be better off or worse off is not sensible because people do not have standard consumption patterns. Asking a question like that is not promoting the debate; it is a mindless position to take.

Mr BROWN: That is the Minister's view because he takes a philosophical position. If the Government wants to involve the community, it should start by having the decency to be honest from the outset. It should say that there will be winners and losers; people's consumption patterns and the way they live will determine whether they are a winner or a loser. If the Prime Minister said that this will create winners and losers and it is up to everyone to be astute enough to work out what they will be, that would be honest. The perception created is that everyone will win out of this.

Mr Minson: They will in the long run.

Mr Johnson: The ones who will lose are those avoiding tax at the moment. With a GST those people doing cash deals will have to pay; they will be caught out.

Mr BROWN: First, they will have to pay cash where they spend rather than where they invest. Ultimately those people who have a high discretionary income, who save and invest - if they spend their money or their children spend their money -

Mr Johnson: They will be caught.

Mr BROWN: They might be.

The issue raised constantly by Governments - particularly coalition Governments - is the compliance costs for business and their removal. I attended the economic summit in 1985 when Paul Keating's option C was debated. It was sent to the bottom of the sea because the retail sector and those at the end of the chain said that they would not be tax collectors for the Government. Every time they sold a good or a service they would be collecting tax.

Mr Johnson: They do that already.

Mr BROWN: I am glad members are saying that. Some sectors of the business community at the end of the chain are considering this issue now. There has not been widespread support. I am glad members are saying that this will not lead to any more compliance problems for those businesses. I will tell the public about that and the recent payroll tax amendments and how that has led to easier compliance.

Mr Johnson: I grew up with the VAT, and it is very little different from a GST. I was involved in the retail, wholesale and manufacturing sectors. It is a lot easier to work with a tax like that than a wholesale sales tax. Some small retailers do not like the idea of a GST because not all of the profits are shown in their books at the end of the year. The genuine, honest retailer will have no problem in working out the GST and paying it to the Tax Office.

Mr BROWN: I am very pleased that the member for Hillarys is on the record as saying that. We have the Premier on the record in relation to payroll tax. I am sure I will be able to quote them in various letters.

Mr Johnson: Let me add something I said earlier when you were not in the Chamber. The GST will work only if there is a reduction in income taxes, and all the taxes are put on the table and the whole system is reformed as we approach 2000. At the moment between 20 and 30 taxes, charges and duties are paid. It is time for a complete revamp to simplify things for the business community. Doing that will save millions of dollars.

Mr BROWN: My cynicism is that a month ago we had a debate on the payroll tax issue and it was acknowledged that rorts were going on. It was said at the time that employee-employer relationships have been changed to contractor-subcontractor relationships to avoid payroll tax. The Treasurer acknowledged it was happening, and said that Treasury was looking at a particular case - I think it was the Vabu Pty Ltd case. Everyone knows it has been happening for a long time but where is the enthusiasm to do anything about it? The trust issue has been a problem for a long time. Where is the enthusiasm to do anything about that?

Mr Johnson: Read this morning's newspaper. There is enthusiasm to do something about it.

Mr BROWN: It is an interesting issue. People speak about giving the Commissioner of Taxation broad brush powers to collect tax. I remember a ruling made by the commissioner some time ago. The former Government leant on the commissioner because of that ruling. No-one suggested that his ruling was wrong but he was told by part of the corporate sector that if he enforced the tax rules in such a harsh way they would go offshore because they could get away with it in most other countries.

Mr Baker: Do you agree with your leader's proposal to tax the income of charitable trusts?

Mr BROWN: There are different types of trusts. There are trusts set up for the sole purpose of avoiding tax, and others are of a charitable nature. They are generally run for benevolent purposes, for church organisations and the like. I do not agree with any device used for the purpose of avoiding tax. It should be borne in mind that charitable organisations have special treatment under the Australian tax system and have special provisions.

Mr Baker: They are exempt.

Mr BROWN: That is right, so they do not need any connivance.

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

Mr BROWN: I have a strong view that people who avoid tax by setting up some contrivance should not be allowed to do so.

Mr Baker: What about husband and wife partnerships, primarily aimed at splitting income? Are you saying they should be reviewed?

Mr BROWN: If there is a rule that allows incomes to be split, it should apply to everybody - PAYE employees, private businesses and so on. The system should not reward people who are being smart or who have money to use the rules in a perfectly legitimate way, while others are not able to take advantage of them.

Mr Baker: You would review that as well, and not allow income splitting in husband and wife partnerships?

Mr BROWN: I will put it in words of one syllable so the member understands it. Every Australian should be treated in exactly the same way as every other Australian.

Mr Baker: Are you advocating flat tax?

Mr BROWN: No. People gaining income in a certain way should not be more advantaged in terms of minimising their tax than are other Australians. If the member feels that people should be allowed to split their incomes, it should be available to everybody. Of course, we all know what would happen to the commonwealth tax receipts if it were allowed.

Mr Baker: You are saying there is nothing wrong with the guts of the Act, but we must attack these trusts. Is that your primary concern?

Mr BROWN: I am disappointed in the member for Joondalup, bearing in mind that he is a lawyer. No wonder this is such a litigious society. I thought I had explained very slowly, clearly and accurately that all Australians should be treated equally. However, somehow from that the member for Joondalup infers that I am talking about stopping people with joint ownership setting up trusts.

Mr Baker: I am just quoting your leader.

Mr BROWN: The member asked for my view, and I am giving it.

Mr Court: It is different from that of your leader.

Mr BROWN: It is my view and I have the courage to express it in this place, unlike some people. In my view, irrespective of a person's status or income or the way that income is derived, any tax obligation - which is part of living in a civilised society - should be imposed fairly and impartially on each person in the community, and the system should not allow those in a privileged position to manipulate the situation.

Mr Baker: Using that notion, you would support a flat rate of tax.

Mr BROWN: As the member knows, a flat tax system is highly regressive.

Mr Court: You said everyone should be treated the same.

Mr BROWN: Everyone should be treated the same on the basis of their income level. A person who receives \$20 000 annual income as a contractor should be treated the same as an employee who receives that income. A person who receives \$40 000 annual income will be subject to a different marginal rate of tax. I do not support flat tax rates but I am interested to hear that the member for Joondalup does.

Mr Baker: I was asking for your view.

Mr BROWN: It seems the member for Joondalup does not have a view on the matter. I am glad to hear that, but I certainly am proud of my view. Those who receive higher incomes should pay more tax.

Mr Baker: Rumour has it that they do!

Mr BROWN: I believe in that, and I do not stand away from it. The member for Joondalup is a flat taxer, and would probably agree to removing the threshold also. That is a good way to make people on low incomes pay more.

I am interested in the way this tax issue is politicised. It is interesting to watch the State Government's campaigns in this area. In 1993-94 the Government set up, and was pleased to use taxpayers' money for, a campaign to fix the roads. We saw the use of taxpayers' money for advertisements on the television indicating that the Commonwealth Government should pay more towards the road system. Did members see any last year and have they seen any this year? I have not seen any of those advertisements.

Mr Baker: The stickers are still to be seen.

Mr BROWN: Not according to the Minister for Transport. I have asked where the television advertisements are. He said there is no need for those television advertisements. I asked whether that was because the road funding meets the State's needs. No, that is not the reason. Those advertisements have been stopped because there has been a change in the Federal Government, and this State Government does not want to bag a federal coalition Government. It was quite happy to use Western Australian taxpayers' funds to get stuck into a federal Labor Government, but with the change to a coalition Government it pulled back its use of taxpayers' funds.

What a manipulation. What a callous way of using taxpayers' funds. Yet those opposite have the gall to come to us and say that we should have an open and frank debate about this issue; that we should not bring any politics into it; that we should not look for questions of advantage in this; and that we should be looking at the national interest. How

quickly things change. Those opposite were not interested in the national interest or the state interest when the advertisements were flying around. Had they been concerned about the state interest, had they said that we must get out there and fight for Western Australia, the advertisements would be running now. At least the Government would be consistent and it would be out there plugging away. However, the advertising was for neither the state interest nor the national interest; it was for the interest of the coalition. Down the drain went \$350 000 or \$400 000 for straight political advertising.

Here we see the absolute classic. When there is a change and we question the Minister for Transport about it, he cannot explain it. Of course, in 1996-97, road funding went down. Where are the advertisements? They are nowhere to be seen.

Mr Bradshaw: How effective were they?

Mr BROWN: They were probably not very effective. It is like everything else. The Government keeps plugging away, using taxpayers' money to promote a political view, and then it stops doing that when it is politically inconvenient. It is unfortunate that nowadays in Australia it is very hard for these debates to take place without political overtones, particularly when so much money has been spent by the coalition in promoting its political views. Those opposite are talking about having an open debate on crime and getting bipartisan support. There was not too much of that talk prior to 1993, despite their being invited to do so. It is okay when those opposite are in government to talk about a bipartisan approach and about the national interest and the state interest, but the real test is what the Government has said and done in promoting those issues and what actions have followed. Quite frankly, they do not show that the Government is interested in achieving some of those outcomes. Those opposite are happy to use them in a highly politically charged way.

In terms of the commonwealth-state relationship, the tax system must be reviewed, but I think as part of that review we should look at collecting the taxes that are due currently, because we do not do that at the moment. If we had a tax system where we could collect the taxes that are due, and which came in quite hard in stamping out the rorts that exist currently, we would collect many more dollars.

Mr Barnett: One of the most powerful arguments for a GST is that it is very hard to avoid it.

Mr BROWN: I will tell the Minister about a goods and services tax. People will watch for the tax on every transaction they do.

Mr Baker: Especially those without money.

Mr BROWN: No. People will look at the way the receipts are written. It will be interesting to see whether the Australian Taxation Office enforces it, and also the compliance costs. The cost of tax collection will increase substantially. I am pleased we have had this debate and I am sure we will revisit some of the comments made, particularly those expressed by government members.

**MR COURT** (Nedlands - Treasurer) [3.24 pm]: I thank members for their support of this Bill and their cooperation, making it possible for the legislation to go through this House this week. Comments were made about the arrangements, which have been put in place following the decision of the High Court of Australia on the business franchise fees, being a stopgap measure. That is very much the case. Not only is it a stopgap measure, but it is also proving to be extremely difficult to administer properly. All the States had differing rates of charges for liquor, tobacco and fuel and the Federal Government will now collect one uniform rate. There must be a divvying up amongst the States, which is creating a lot of problems, particularly for Queensland and New South Wales which did not have a fuel tax. The tax is paid, the tankers head across into the adjoining State, and then the amount is refunded. Of course, that cannot be controlled because under the Constitution trade cannot be stopped across borders. In short, it is proving somewhat difficult.

The Leader of the Opposition made a number of comments on a broader taxation agenda. For many years, under both the Keating Labor Party and the coalition Government, we have been calling for a reform of commonwealth-state financial arrangements. I agree with the Deputy Leader of the Opposition that those arrangements can be reformed without touching the taxation system, but it would be preferable to do both at the same time, particularly if a number of taxes could be put on the table, some of which we could get rid of in the changes that were to take place.

At this stage I will not comment on some of the tax debate that was put up by the Leader of the Opposition. I will briefly refer to some comments made by the member for Perth about the States having raised more of their shares of revenues in recent years. I have an interesting graph which I will give to the member and which covers the time from federation, and shows all the different changes that have taken place. When we entered federation we were basically raising the revenue that we needed for all of our expenditures. The graph shows the ups and downs. The biggest down was in 1942 when income tax was taken out. In the past 20 years the States ended up with about 10 per

cent under this measure, although that figure has now gone up to 20 per cent. That has been done by increasing the state rates in different taxes and a number of new taxes have been brought in; for example, the financial institutions duty has been introduced and Victoria in the past couple of years has gone heavily into gambling taxes. The States have been trying to squeeze as much revenue as they can out of a very narrow tax base; for example, land tax. One of our concerns is that very few of these are growth taxes. The major growth taxes are income tax, sales tax and company tax, and the Federal Government gets all of those; we do not get a share of them. We want to get back to the situation we had at the time of federation; that is, we raise the revenues that are needed for the services which we have a responsibility to provide. In most federations that would be raised by a share of income tax and, say, a goods and services tax.

Mr Pandal: We should all stop apologising and using the argument that our tax base comes from odious tax sources. People out there regard all taxes as being odious.

Mr COURT: I agree. Sometimes we get so involved in discussions about what is the right mix of taxes that we forget that as far as the public is concerned all taxes are bad. I accept that. That is why it is always difficult to have a rational debate on taxes prior to an election. The Federal Government is very courageous in saying that it will present to the public a full tax plan before it goes to the polls. As we have already seen today in this House, people can be very mischievous in some of their arguments.

I appreciate the cooperation and support from members for this legislation. As I said, the administrative arrangements being put in place are proving pretty messy. The sooner we can get a long term solution to these tax issues, the better. That may well involve a small change to the Constitution so the States will have the ability to raise some of those taxes directly.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate and transmitted to the Council.

### LOAN BILL

#### *Second Reading*

Resumed from 10 September.

**MS McHALE** (Thornlie) [3.30 pm]: The Opposition supports this Bill. The Bill authorises the borrowing of \$20m for the redemption of maturing financial agreement debt. I have been in the House eight months and I am impressed with the latitude members have in what they may speak about in debate on certain Bills. I will use this opportunity to talk about education issues in my electorate. If I had my way, the \$20m the Government is borrowing in the Bill would be directed to schools in Thornlie, for the reasons I will give in my contribution this afternoon. If time permits I will address also an issue in the Arts portfolio.

I am very proud to represent the electorate of Thornlie. Therefore, I am concerned about and sensitive to reported criticisms of social indices that may create an unfavourable impression of the electorate and surrounding areas. In the hope of seeking some redress and attention by the Education Department and the Minister for Education, I bring to the attention of the House a number of social indicators that have emerged in the education field over the past two to three months. Thornlie has 29 schools in its district, with over 11 000 students. Interestingly, it has an average of just over 400 students a school. Out of the 30 education districts in the State, only four have a higher than average number of students. Although size of school is not of itself a negative social indicator - I am not making that point - it is important to realise that the size of schools in the Thornlie district is well over the average. It is against this backdrop that I will make my comments.

I am concerned about a number of trends or social indicators that have emerged over recent months that suggest all is not well in schools in the Thornlie district. We have had talk about the social dividend. We have had talk from the government bench about quality education and we have had talk about what is best for our children. Given the indicators I will talk about, I do not think that is necessarily a reality for my constituents and for the children of my constituents.

The Government is letting down the community in the Thornlie district and things are not right there. I am not the only one who thinks this. At a recent meeting of the heritage country intergovernment task force, involving the three councils of Armadale, Gosnells and Serpentine-Jarrahdale, the Mayor of Gosnells was understandably concerned about recent media reports and raised concerns that the Thornlie and Armadale education districts were the least preferred metropolitan districts for primary teacher transfers. Thornlie was not the least preferred, but the second least; Armadale was the least preferred. Not to offset that, but to compound it, the four least preferred high schools for senior teacher transfers were Gosnells, Armadale, Cecil Andrews and Maddington Senior High Schools. They are not all in my electorate, but in neighbouring areas within the catchment area of my electorate.

At the time, local principals argued that it was purely distance from Perth that made them the least preferred. I would like to think that was the justification for it. Apparently the northern corridor is a much more popular area than the southern corridor for teachers to live in; therefore, there seems to be some reluctance in the transfer policies. However, demographically I find it inconceivable that this idea of teachers living north of the river explains the phenomenon of why schools in the Thornlie and Armadale districts are the least preferred. Other social characteristics may, on further analysis, point to why these schools are listed as the least preferred. It is important to consider other social indicators that might help us understand this phenomenon a little more.

One can point to a range of statistics that might describe the social fabric of the Thornlie district. I will highlight a couple of research studies that give some substance to what I am talking about this afternoon. A 1997 study by Monash University identified that about 41 per cent of children are in families that are welfare dependent or the working poor; therefore, 41 per cent of children are subjected to the strains and difficulties their parents face because of that. The study looked also at a number of suburbs in the Perth metropolitan area. In the list of 14 suburbs identified in that research project, Gosnells had the fourth highest number of children living in low income family circumstances - about 49 per cent. In other words, in the Gosnells area, which is one of the catchment areas for the Thornlie district, 49 per cent of children were children of the welfare dependent or the working poor.

I do not want to paint the picture that my electorate is necessarily an electorate of the working poor or the welfare dependent. That is not the case. My electorate, which I am proud to represent, is a mix of social demographics. However, many of its families are battlers and are on low incomes. Children living in low income families have additional strains placed on them over and above the every day strains of school life and of having to cope in the education system in a modern society. It is important to stress, when the Government is making policy for distributing funds and quality staff throughout not only the metropolitan area but the whole of the State, that schools are not level playing fields. Poverty in the suburbs is differential, and schools are affected significantly by this poverty differential. Gosnells has one of the highest ratings in the metropolitan area of children of the working poor or welfare dependent. I am building up a picture of the Thornlie district to undermine the claim that the only reason that teachers do not want to be transferred to the area is distance from Perth. That is a somewhat simplistic explanation and belies many other social problems which my electorate and other electorates around Thornlie must deal with.

Members may have read the suspension statistics from our state schools. I want to talk about the statistics for the Thornlie school district, which is in my electorate. The recently published figures reveal that the Thornlie district has the highest rate of school suspensions in state schools. It has the highest numerical rate, and based on its school population it would also be the highest percentage rate. Factors are at play in the Thornlie district that the Minister should be concerned about. The Minister should seek answers on why the suspension rate is so high in the Thornlie district. I do not accept that children in the Thornlie district are intrinsically or innately more naughty, anti-social or disruptive than in other districts. I reject that out of hand. Other social indicators are at play which must be studied to find out why the Thornlie district has this high rate of suspensions.

The Minister would say, rightly, that truancy is more of a concern than the suspension figures. I would not argue that point. The social disadvantages of truancy are more difficult to manage than suspension. The Director General of Education tried to explain the disproportionate rate of suspension from one district to the other by saying that it is likely to reflect either the experience of teachers or the culture of the local neighbourhood. Unfortunately, she did not explain what she meant by that; however, I am concerned about that as a justification for Thornlie's high rate of suspensions. If teachers did not want to transfer to the Thornlie district, supposedly because of distance from where they live, I am concerned that moves such as individual school based appointments will make the Thornlie district even less preferable as a location for transfer, given that statistics like suspension rates suggest that all is not well in the schools in the Thornlie electorate.

Another move from the Education Department relates to the new staffing formula. I understand that some schools will benefit and some schools will lose out because it must be cost neutral. I am currently conducting a survey of schools in my electorate to ascertain whether they will win or lose. I have not received all the school results so I will not discuss it at any great length.

Mr Barnett: If the member asks me I will give her a list of the ups and downs for the schools in her electorate.

Ms McHALE: I will ask the Minister for a list.

Mr Barnett: Drop me a note and I will send it to you.

Ms McHALE: Thank you, Minister, I will.

In one school in my electorate, to compensate for the teacher who will have to go, in all likelihood the deputy principal will have to do more teaching. One of the roles that deputy plays at the moment is the management of



discipline. These issues compound on the schools to cause greater social problems than perhaps we realise at the moment. In one school the new staffing formula will mean that the management of discipline will not get the attention that it currently receives. Yet that school has a high suspension rate. This administrative decision will compound the discipline problem. I am questioning the philosophy of that policy if the outcome of a decision like the new staffing formula will impact in a negative way by increasing the difficulties of managing discipline matters.

Suspension is a last resort. However, I fear that it could become more frequently used either in frustration at the lack of adequate teachers or the lack of resources in the schools. In a district which already has the highest rate of numerical suspensions something needs to be done in a fairly systematic way to try to explain the differentials that exist between one education district and another.

I am particularly concerned about the Thornlie district. Over the past six to 12 months the schools that I talk to have been bombarded - or near enough so - with different changes that the Education Department has asked them to look at. Some of the changes are good. The Curriculum Council is one good example; however, the rate of change that the schools are experiencing is giving rise to a diminution of the morale in schools and concerns about the lack of adequate planning to manage these changes. Theoretically they are good changes but if they are not managed properly with adequate in-servicing they will be undermined. From what I have read and heard over the past two or three months about the Thornlie district's lack of attractiveness for transfer, in its suspension statistics, and from generally talking to schools, I sense that the social dividend has not reached my electorate.

I want assurances that the children in my electorate will get adequate education, notwithstanding the changes that are taking place. Parents demand quality education so that they can feel assured that their children will get the best start in life. My electorate does not have five vineyards, a racecourse, cinema complexes or a cultural centre; it is essentially a suburban electorate and its greatest asset is its people. There are many English migrants who have been here for 40 years, Aboriginal families who are struggling to give the best to their children, and non-English speaking families who have come to this country with the hope of a good start for their children. They all share the common desire for a good future. If we do not ensure that the quality of education at a local level is adequate, we will let those constituents down.

Mr Barnett: If the member for Thornlie is concerned, and I do not doubt that she is, why not invite me to visit some of those schools?

Ms McHALE: I will talk to the Minister about that later.

Mr Barnett: It is something practical that you could do. If you think that schools are missing out, I can meet with you and perhaps help you.

Mr Osborne interjected.

Ms McHALE: Does the member for Bunbury want to be my campaign manager? I will manage my own campaign; I do not need the member's help. I would be very worried about any help he gave to me to win my seat!

Given the differentials in suspension rates, and the fact that they cannot be explained by one or two justifications, it is symptomatic of the underlying social problem. That is what I am trying to highlight. Given the social make up of the area, and the relative income of families, given that teachers do not want to go to the area - it is not the first choice - given that we are talking about individual school appointments, and putting all that together, the warning bells ring at least in my mind about the outcome for the schools in my electorate. I will take up the Minister's offer to accompany me to those schools. I hope that he will be able to generate discussion at head office.

**MR RIEBELING** (Burrup) [3.51 pm]: I wish to talk about the social dividend that my electorate expected to receive following the last state election. It is a great concern to the public that the Government's social dividend has not been delivered in two areas, the first of which is health. During the November and early December election campaign, the promise by the conservative parties was that if they won government, a doctor would be appointed to the Nickol Bay Hospital. That doctor was to be a government salaried doctor, because of the problems that have been caused over many years by private practitioners not being able to cope with demand at various times. That need was urgent in November last year, and the situation became progressively worse after the election when four doctors left town at once, around Christmas. The demand was even greater after the election.

One of the results of the Government not honouring its promise to appoint a government salaried doctor to the hospital was that we would require three doctors to be placed in Karratha on salary. I lodged a petition in May this year bearing 1 588 signatures, and urging the Government to honour its promise and to start to put serious money back into the health arena. I wrote to the Premier immediately after the election, requesting information about when a doctor would start at the Nickol Bay Hospital. Unfortunately, his answer related to the problem which occurred after the election when the four doctors left the area. The Premier said that recruitment will restore the number of

doctors to at least eight with an equal if not better range of skills than previously available. That is fantastic for the private sector, but that was not the promise made by the Government. The Premier also said in his three page letter -

With the appointment of additional private practitioners in Karratha, the appointment of a Government doctor in the Nickol Bay Hospital is no longer necessary as the needs of the Hospital can be fully met by the private general practitioners.

The Premier wrote that letter in May. Since then, the situation has become worse in Karratha, considering the facilities and hospitals at Nickol Bay, Karratha and Dampier. I have three examples of the problems that continuously occur in my area. Over the past few months we have highlighted similar examples, such as the problems at the Fremantle Hospital where one ward does not have any nurses, and therefore does not have any patients. To most people in the metropolitan area, with large waiting lists for people wishing to enter hospitals, that is absurd. However, in Karratha the hospital is without a doctor, and if that is not a bizarre situation which demands urgent attention, I do not know what is. To highlight again the plight of people in my electorate, I will go through three examples. In the end, people who do not think we should have a government doctor, must have no compassion; and they do not understand how difficult it is for people who live in remote areas.

Yesterday *The West Australian* ran an article with a photograph of a lady, with the Nickol Bay Hospital in Karratha in the background. Liz Reeve attended the hospital with respiratory and other problems. Because a doctor was not available, a nurse administered treatment, which proved to be incorrect. As a result of that treatment, the lady was paralysed for some time. When the doctor arrived he reviewed the treatment, and said that it was incorrect. The situation was rectified after the lady received drip treatment. However, the point is that if a doctor had been in attendance, the error would not have been made.

As another example, I have a letter from Milly Axell who lives at Boulder. While visiting her son who lives at Karratha, she had the misfortune of experiencing the medical services available to her son at Karratha. The young chap plays football and had an accident. It was thought that his foot was broken. He went to the hospital and saw a nurse who looked at the ankle, strapped it, and then asked him to come back the next day for an X-ray, because although they had an X-ray machine no-one was there to operate it. He went home and suffered great pain that night and, as directed, returned to the hospital the following day only to be told by another nurse that the nurse the night before was wrong when she told him that an X-ray operator would be there. The hospital does not have an X-ray machine operator. Therefore, the man was told to go away and call back later if things became worse. By Monday he was much worse and in greater pain. Another visit to the hospital resulted in his being told that he would have to see a private practitioner.

Over that weekend the nurses did not prescribe any painkillers. So the family went looking for a chemist and, of course, there were no chemists open on the Sunday. By the morning this man had suffered a day and a half of great pain. He rang to make an appointment with a doctor and was told he would have to wait between two and three weeks. These are the private practitioners who the Premier tells us are operating so efficiently that we do not need a government doctor at the Karratha hospital and it is the same group of people who have had to put up with this sort of treatment for years.

The nine doctors in Karratha operate from 9.00 am to 5.00 pm five days a week. That is fine for most people. However, many people in Karratha are now working 12-hour shifts and cannot access a doctor without taking a day off work. It is high time the doctors looked at what the people are asking for and started to respond. If they cannot respond, let the Government supply the doctors so the public can access medical services in a way that does not cause them more pain than their ailment.

The third example, and the most disturbing, is that of a husband and wife who do not wish me to use their name, so I will not. They attended my office about an incident that occurred on 26 and 27 August this year. At that time, the woman was looking after her six children, and all six were struck down by the flu. Karratha is like Devil's Island: If one person gets the flu, everyone gets it. A four year old son got the flu so badly that the parents thought the treatment they got from the chemist was not good enough and he was getting worse. They took their son to the hospital and he was admitted. Shortly thereafter, their 10 year old daughter, a known severe asthmatic, had an attack and was also taken to the hospital. So bad are her attacks that the hospital knows about her and whenever she arrives she is to be admitted instantly so that massive treatment with steroids and the like can begin and her hospital stay will be shortened. By the end of the evening, the two children were in the Nickol Bay Hospital. To the parents' amazement, in the early hours of the morning the children were sent home by the nursing staff. When they arrived home the parents were of the view that they were in worse condition than when they were admitted to hospital. The children were then taken back to the hospital because of their deteriorating condition and both were readmitted. The young girl stayed in hospital for five days - it was not as though she was there for only another hour - and the young boy stayed for four days. These two young children, who were thrown out of hospital, went home and within an hour or two were readmitted for lengthy stays.

The mother is particularly irate about the treatment her children have received, and rightly so. The instructions to the nurse to release the children were given over the telephone; a doctor did not examine them. I do not know whether that is an offence under the Health Act. Surely if a child is sick enough to be admitted, his or her release should occur only after they have been seen by a medical practitioner. The doctor consulted about the girl's release was not her doctor. Two issues come to mind: First, the child's doctor was not consulted and, second, the consultation took place over the phone.

This family is very tolerant; I suppose they would have to be with six children. However, they have had a very good relationship with the hospital for many years. I do not know whether the nurses had a bad night but, when the mother took the children back through the emergency entrance, her way was blocked by a nurse and she was subjected to a great deal of anger. In her mind, the nurse showed very little concern for the children.

I have not been saving these examples for months; they have come to light in the past couple of weeks. Mrs Reeve's case occurred a while ago, but the other two cases have been raised with me in the past few days. These examples are not very unusual, other than the treatment of the two children, which I have never heard of previously. I have written to the manager of that hospital to ascertain why the children were released, and some other action might be taken. However, when private doctors are reluctant to attend a hospital, it should not be called a hospital. It is like a pub with no beer - we have a hospital with no doctors. It begs the question whether that builds people's confidence. A medical service should be available. We have new people coming into town and driving past a \$3m or \$4m hospital. Everyone nods and says it is wonderful, but no-one knows there are no doctors until they go there.

Another problem resulting from the flu epidemic is that doctors are under so much stress that their staff are advising people to go the hospital. It is an attempt to move people out of the surgeries to the hospital, but there are no doctors at the hospital so they are sent back. The Premier has played a cruel hoax on people by suggesting that all is well at the Nickol Bay Hospital. He either does not know anything about the conditions or does not care about this hospital. Many people were incensed when they saw the reply and the reference to the shortfall of funds, bearing in mind the promises made in the November campaign.

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

Mr RIEBELING: The other area of health which is part of the social dividend, and about which people in the Pilbara are not very happy, is the patient assisted travel scheme. It promises a lot to sick people who have no access to specialist services in the Pilbara. It promises to get them to centres where specialist services are available. However, the Health Department is being relatively pedantic about the system. They say it is "patient assisted travel", in other words it will not pay the total cost of travel but will assist. The general public has the perception that if the specialist service is not available in Karratha the scheme will provide the funds to enable patients to access the service elsewhere. The commonwealth system, which was the forerunner of this scheme, paid the cost of transporting people to the specialist service. In Western Australia the Government has allowed the bureaucrats in the Health Department to change the rules and to make it difficult for people to access specialist services.

Also, children requiring dental surgery by orthodontists or those with hearing problems cannot access this scheme. Parents who take their children to the local hospital and find that the service is not available there, cannot access funds from PATS to bring their children to Perth for dental surgery or to have hearing aids fitted. They are told they must pay the costs themselves. I spoke in this place recently about a four year old girl who had massive dental problems, and was denied access to PATS. Her parents paid \$2 500 to access a specialist and were advised by that specialist - I do not know whether he was trying to make them feel better about their expenses - that if they had waited another week their daughter would have developed blood poisoning and would have had serious health problems. Armed with that information, the parents went to the PATS clerk at Tom Price. They were told that if their daughter had developed blood poisoning PATS funding would have been made available. In other words, their daughter was not sick enough when the application was made. That is outrageous. Those members in this place who are parents can imagine their reaction if a child of theirs was in that position and the system they thought was in place to assist them was not available.

Another interesting aspect is that the Government implies it is in favour of private health insurance and that everyone should join a private health insurance fund. However, if a specialist service is not available in the Pilbara and a patient chooses to visit Dr X where the service is available, but the health system has appointed Dr Y to provide this service, that patient cannot access the PAT scheme. It is a travel scheme tied to a specific service. Therefore, those who have private health cover and choose their specialist doctor must pay not only his bill but also the air fares to visit him. That is a disincentive for people to join the private health system. These rules apply because the Government wishes to spend as little as possible on the health system, especially the PAT scheme, because someone has convinced the Minister for Health it is a way of saving money.

I refer now to development in the Pilbara region. As members are probably aware, under the guise of the social

dividend my electorate has been promised projects that will deliver jobs, job security, riches to the small business community and many other benefits. That may be the case when the developments start. Over the past five years this Government has announced in *The West Australian* and other publications various projects planned for the Pilbara. They include the hi-smelt project being developed by Hamersley Iron Pty Ltd worth about \$1.6b; Robe River's pelletising plant worth \$0.5b; AUSI Ltd's steel plant worth \$1.8b; Mineralogy's magnetite processing worth approximately \$5.3b; the methanol plant worth \$0.5b; and the petrochemical plant estimated to be worth \$3b. People in the metropolitan area reading these announcements would naturally assume that the Pilbara, with Karratha as its base, is booming. The Government proudly announces it has generated projects to the value of \$12.7b.

Mr Johnson: We say anything.

Mr RIEBELING: This style of government whereby such projects are announced leads to expectations in the community. However, the simple fact is that not one of those projects has started.

Mr Osborne: Watch this space.

Mr RIEBELING: I remember just before the last election the Government announcing that new projects to the value of \$20b would start in the Pilbara, and \$12.7b worth of those would be in my electorate.

Mr Osborne: They are approved, designed and ready to go as soon as the commodity prices change.

Mr RIEBELING: As soon as the Government can rent a bulldozer, they might start. Do members know how many new projects have started in the Pilbara and are now up and running? Despite the hype that it is all happening in the Pilbara and it is the place to be, not one project has yet started.

Mr Osborne: What about the Worsley expansion project in Bunbury?

Mr RIEBELING: We were told that the boom would start in the Pilbara, but nothing has yet started. Only the BHP briquette plant is up and running, and that was initiated by the previous Labor Government. Since this Government has been in office, not one project has started.

Small business people believe the Government because it says that it is the Government of small business. They believe these projects will start and they gear up for them. They adopt world's best practice and put a lot of money into them. Then they must service the debts, and they are going broke.

Mr Bradshaw: We got the briquette plant going.

Mr RIEBELING: We made the announcement for that plant and those opposite abused it. They said it was a political stunt because it was announced prior to the last election. I remember that - and so does the member for Murray-Wellington. He should not come at that game with us. He knows exactly what we are talking about. That was the first time we saw any downstream processing in the Pilbara as a result of the agreement Acts. The Labor Government did that, and those opposite know it did.

Mr Bradshaw: Who set up those agreement Acts?

Mr RIEBELING: They were set up in the 1960s and they were a huge success. Now just over 35 years later we get a project up and running. That is fantastic! It is about time we reviewed those agreements. As those opposite are aware, Hamersley Iron Pty Ltd has just announced that 350 workers will lose their jobs in its operations. As those opposite are also probably aware, just prior to that becoming known, a document was leaked from Hamersley's operations. It indicated the extent to which this company will go to deceive both the workers and the general public. It is a pity I do not have more time to go into that matter in greater depth. After nearly 30 years perhaps the Government should sit down with operators, such as Hamersley Iron, and discuss whether it is time to review the operations of the agreement Acts to make sure the return is what the State requires.

**DR TURNBULL** (Collie) [4.22 pm]: Today I want to address two issues about the health services in the rural areas of Western Australia. The first is the management structure for the districts in the rural areas and the second is the nursing shortage not only in country hospitals, but hospitals around Australia. The management of the hospital boards in the rural areas in Western Australia is very important. A few weeks ago the Minister for Health abolished all hospital boards in the metropolitan area and replaced them with a single board. It was heartening for people in country areas to hear that the Minister made an announcement at the country hospitals board's annual general meeting a few weeks ago that he would not be abolishing the country hospital boards, as he had done in the metropolitan area.

Country hospital boards are extremely important to the health services in the rural towns in Western Australia. The boards are given ownership of the health services to the people within the local community. When the Government came to power just over four years ago, it decided that the management of the health services in the country areas would be arranged into districts. Those districts are now fairly well established. Within each district a range of

services, ranging from three to 12, is being based on either hospitals or nursing posts. The legal entity under the Hospitals and Health Services Act for each of these rural health services is called the Hospital and Health Service Board. I will refer to it as the local hospital and health service board, or sometimes as the local health services board.

A conflict has been going on for four years about how the collocation of these groups will be managed in a region under a district manager and how the line management for the service will operate. These technical and accountability requirements are being considered. There have been a lot of discussion papers and many hours have been put in by people both within the Health Department and the hospital and health services boards in trying to work out how to fulfil their obligations in legal and accountability terms.

Everybody thought this issue had been sorted out in February this year when a letter was received from the Minister which said that the amalgamation of these local health service boards - that is, a district council - could not go ahead. In May a letter was received which said that despite the amendments to the health services Act and despite the letter received in February, it still seemed that this matter could not be sorted out. The letter in May indicated that, although each local hospital board maintained its legal entity, the amalgamation of the hospital boards under a district council was not possible because of the recent changes in the union coverage, among other things.

I see two problems here: First, it may be that the changes to the Hospitals and Health Services Act in 1995 were not sufficiently wide to delineate these legal lines of responsibility; and secondly, the unions' coverage and the agreements between the Civil Service Association and the hospital and health services employees have complicated the matter enormously. The Minister and the Health Department have put an enormous amount of effort into this matter. In the Minister's speech to the country hospitals board he said that it was his own view that a blend that involved a single board for the district, with subcommittees responsible for the governance of the individual community services on behalf of the board, would achieve the right balance between a sensible and simple management administrative structure, while ensuring strong local community input into how services are delivered into each community.

That is a very sensible position, but it must take into account the fact that each community wants ownership of the management of the services within its area. Unless people within the local district have ownership of the services, they do not have as great a loyalty to them and will not provide the essential support. In monetary terms, the Government cannot supply all the effort that is needed to maintain these health services in each town. It relies very heavily on the voluntary input and goodwill of the people on the local board and those who are involved in the committees, such as those for fundraising. The big dilemma is how to maintain the large commitment to the local health and hospital services while trying to maintain what the Minister wants; that is, a simplified administrative system.

The same sort of model is emerging in the education system. Local area planning, which the Minister for Education wants to put in place, needs the cooperation and commitment of people in the surrounding areas. Unless people have that ownership of and commitment to their service, whether it is the hospital and health service or the education service, the best result is not achieved.

One of the things that keeps people in country towns is this commitment and sense of ownership. If that is taken away, they will tend to avoid the country. There is enough movement of patients and children from rural areas to the metropolitan area to reduce greatly the viability and effectiveness of both hospitals and schools in rural areas. Therefore, there must be no loss of commitment to this local ownership factor. The people on the country hospital boards have considered carefully how they could comply with requirements for a simplified administrative system, while still not losing the ownership and management of their local area. One of the suggested recommendations, which I think is a possibility, is that a district board be formed as a legal entity under the Hospitals and Health Services Act, but that the board have delegated committees within it that have legal responsibility for their own areas.

In the case of the Wellington health district, for example, people on the Wellington health district board would be delegated legal responsibility for the Donnybrook, Collie, Harvey and Yarloop hospitals. The innovative suggestion is that the same number of people be kept on the board. The Donnybrook, Collie, Harvey and Yarloop boards all have nine people on them. All those people would form the district board. The same would occur with Dalwallinu and the wheat district hospital board, for example, which incorporates places such as Moora. All the members would still be on the main board and that legal entity would remain. They would then break up into their delegated committees, which would be the equivalent of their current board, so they would still have the legal right to manage their own health service. That would give people the ownership of their own service.

This problem should not be regarded as insurmountable. We must recognise that accountability, accounting, the Financial Administration and Audit Act and other factors are important; however, we must not lose sight of the fact that local people must have ownership of their service. The Narrogin region has 12 local boards. This suggestion might result in 108 people on the upper great southern district health board.

Mr Pental: Do you really think that is possible?

Dr TURNBULL: I do, because the nine people who form the current board would be responsible for places such as Narrogin, Wickpin, Highbury and Boddington. This may seem like a farfetched idea, but unfortunately sometimes the requirements of the accountants and accountability lines force weird solutions on us. As long as we keep the fundamental factor in mind - that is, that local people have ownership of the management of their own board area - it is a possibility.

The shortage of nurses is critical in Western Australia. There are 60 vacant places in critical areas in rural regions and 400 vacant places in critical areas in the metropolitan region. We must consider replacing the shortage, on both a short term and a long term basis. In the short term we must look at matters such as the fact that nowhere in Western Australia at the moment do hospitals offer more than six hour shifts and more than 30 hours a week. That is not adequate for young women who want a full time job. At the moment some nurses work for a hospital and then work for an agency to fill in the extra time. I know part of the reason hospital managements have moved to this system is that they want to be able to manage staff according to the load in their hospitals for five days a week and two days on the weekend. It is practical; however, a system that has no full time jobs and in which all jobs are based on a 30 hour week is counterproductive, especially for young women. Recruiting young women into the nursing system is difficult. They have opportunities to work in many other areas. This is an important factor to consider immediately.

Retraining would help enormously. The Health Department recently advertised scholarships in retraining for midwifery, accident and emergency, and paediatrics. The Health Department has allocated \$300 000 for those scholarships. However, \$300 000 is not enough when it is divided into allocations of about \$13 000 each for women who have been on an income of, say, \$35 000 a year. People will not take time off and lose that income while they retrain. In the days when training was conducted in hospitals, nurses had that employment and had the wages while they were training. Admittedly the wages were low, but at least they had something to keep them going while they were training. That does not happen now. Hospitals must be prepared to offer jobs to women who are in training. If a hospital employs its nursing staff on a per shift basis, surely it can employ a woman for three shifts a week. That is classified as part time employment and attracts a 20 per cent loading. If the hospital were able to drop off that 20 per cent loading and put nurses on three shifts a week the nurses would continue to receive an income.

In the past nurses were the epitome of the apprenticeship system. They worked hard and were paid poorly by the hospitals, and in return they received their training. The system was the same for someone who was employed by a boilermaker or by a legal firm. They were paid poorly during their training. Other apprenticeships provided block releases for training, recognition of prior skills, and self paced training; however, apprentices were employed during their training period, though possibly not on a full time basis. The employer did not pay penalty loadings because an employee was regarded as a part time employee. The hospitals and the Health Department must look at this situation realistically to get more nurses into the hospital system. They must employ them while they are training. A nurse now undergoes three years' university education, and courses like midwifery are regarded as postgraduate training where the nurses must pay full tertiary education fees. That is an enormous impost on people who are trying to advance in the nursing area.

The Minister stated earlier today that more than 11 000 registered nurses in Western Australia did not work in the nursing profession. The Government could entice and encourage more people into the nursing system at the moment. In order to attract nurses into the rural areas the Government should provide better accommodation and better possibilities of employment for their spouses. Nurses do not have access to Government Employees' Housing Authority housing. That might be a factor in a short term solution to the problem. Most GEHA housing in country towns is now of a reasonable standard and the nursing profession should have access to those houses. The longer term solution relates to nursing training.

The State Government should declare nursing training as a critical work force requirement. It should do something very dramatic. Perhaps the most important thing of all would be to pay nurses' fees in the higher education contribution scheme. The Health Department paid the HECS fee until nursing training was moved out of the hospitals into the tertiary education system. The HECS fee has increased in amount. This would not be very expensive in the overall scheme of things, and it would be a direct message to the community, particularly to people who might be going into nursing, that the State Government of Western Australia values nurses so highly that it is prepared to pay the HECS. That could operate like a scholarship. It would be less expensive than some scholarships we pay at the moment, and it would be a positive symbol.

The Government must send a signal to people in the community that it values nursing and is prepared to go to any lengths to encourage nurses to train and retrain by making generous provision to assist in the cost of the retraining. Hospital administrators, particularly those in the big hospitals in the metropolitan area, must arrange shift patterns so that trainee nurses can get some of these shifts and earn some money. It would be similar to the system set up to train rural doctors within the big metropolitan hospitals. The medical profession has come to an arrangement with

hospital management to allocate a certain number of shifts to doctors in training. The hospital does not have to provide the training, only three or four shifts a week so the nurses can earn money to keep going while they are in training. The Government must consider those sort of factors. I am sure the Minister and I will continue to discuss this issue and the short and long term measures that will increase the number of nurses who are prepared to work in our hospitals.

**MR KOBELKE** (Nollamara) [4.47 pm]: The monthly labour force figures for August were released today by the Australian Bureau of Statistics. I will comment on employment and my belief that Governments need to play a greater role in creating jobs, particularly full time jobs, to ensure that we have such a high level of employment that anybody who wants a job can find full time work.

The August labour force figures indicate that Western Australia has continued to do well in its unemployment rate. At 7.2 per cent Western Australia's unemployment rate is lower than all other States. That has been the case for a number of years. During the recession in the early 1990s Western Australia's figures dipped faster but came out quicker. Putting that aside, Western Australia consistently performed better through the 1980s and most of the 1990s in that measure of unemployment.

The shift away from full time employment to part time and casual work is worrying. Although there has been growth in employment, increasing over the month by 9 200 in Western Australia to a total of 862 600, that was in part time work. There was actually a drop of 500 in the number of full time jobs in Western Australia over the month. We cannot place a great deal of significance on monthly figures, because they are based on a survey and they vary from month to month. However, we have witnessed a drop in full-time employment for some time. I do not say that the drop occurs every month but there has not been a major rise. Over several months there have been drops in the number of people in full-time employment. Currently, on the seasonally adjusted figures there are 67 200 unemployed people in Western Australia. That is an increase of 1 200 over the previous month. That increase in unemployment was not sufficient to increase the unemployment rate. One must take into account the participation rate which grew slightly during the month. Again, for some years Western Australia has had a high participation rate - often higher than in other States. That is due to a range of factors, partly the different age distribution with a greater percentage of people in the younger age group and of working age.

The Government has been lulled into a false sense of security because the global figures for the state economy have been exceptionally good. We have seen a rapid rate of growth in the state domestic product and because of that the Government has thought that jobs would flow. The Minister has direct responsibility for resources development and I know he does his best to encourage resources development and considers it extremely important - and rightly so - but I have concerns about the policies the Government is pursuing because I believe we are not really achieving the best advantage for the people of Western Australia out of the tremendous mineral and petroleum wealth we are fortunate to have in this State. It is difficult to make measurements and compare, because if we have more we certainly expect to achieve more - but how much more?

To compare Western Australia with a State such as South Australia, which has roughly the equivalent population, would not be fair because that State has nowhere near the resource wealth of Western Australia. We must find other ways to measure whether we are doing well. I do not propose to go through all the statistics today, but I think we are falling somewhat short. I accept that we are doing well, and that we are doing well because we are most fortunate to be endowed with such wonderful resources, but when we make comparisons about how we are utilising those resources I do not think we are doing so well.

I will provide only one figure, and I do not expect the argument to be won or lost on that one figure, because there is a cyclical nature to the economy and it could distort things. When the Court Government was elected, in March 1993 - the first month after the election - job growth in Western Australia was almost five percentage points better than the national average. We had job growth at 5 per cent roughly, and the national job growth was zero. Over the past year or two we have been down in the range of 1 to 2 per cent better than the national average. I do not say that we could have stayed at 5 per cent all along, but we have come back to the field, when we should be doing much better.

The Government's false sense of security is reflected in the figures that Treasury has put out in three consecutive years - it may have been longer. I will take the figures for last year, because they came out last month. We were able to compare the budget estimates for employment growth with the actual figures for the 12 months concluding on 30 June this year. Employment growth for the 1996-97 financial year for Western Australia was 2.16 per cent, but the Government's forecast was 2.75 per cent. The Government was out by 27 per cent. The overestimation has been made for three consecutive years. My simple explanation - and it is simple because these matters are complex - is that the Government has not addressed the real issues of employment. Because we have had such very good economic growth in this State, the assumption has been that it will flow into jobs. It does to some extent, but it is way short of what we need, because the Government said, in the Governor's speech delivered on opening day this

year, that we were in the midst of the greatest resources development in this nation's history. The Government does not like to use the word "boom", but it was saying that we are in the midst of the biggest resources boom in Australia's history.

Mr Barnett: That is true.

Mr KOBELKE: That is what was said in the Governor's speech, but I do not fully accept that. It is gilding the lily. However, the facts indicate that we have a good rate of resource development in this State. I accept that, but I also think that the Governor's speech was gilding the lily a little there. If that is the case, and we see no substantial growth in real, full-time jobs, it is a matter of considerable concern. As I indicated, this month's figures reveal that 500 jobs have disappeared. Over the past 12 months there has been miserly growth in full-time jobs in this State. We saw reasonable growth in part-time jobs but little to no growth in full-time jobs. This is at a time when the State is doing extremely well in the resources sector. That should give us reason to consider carefully our whole approach to economic development, and how we try to ensure that the benefits of that economic development flow through to benefit all the people in this State. The way to produce an economic and social benefit to people is to give them secure, well paid, full-time work. That is the means by which we deliver a social dividend, the illusory promise made by the Government during the last election campaign.

Yesterday the Minister for Resources Development talked about the Laminaria and Corallina oilfields. I apologise for my interjection on the Minister at that time, because I had my figures wrong. I misheard him, and I quoted the wrong figures. The Minister announced two major contracts which would go to local companies, one being to Coflexip Stena Offshore Asia Pacific Pty Ltd for approximately \$60m, and the other to United Construction Pty Ltd for \$45m. The Minister hopes that there will be far more contracts. He simply noted those two contracts. The two contracts totalling \$105m represent roughly only 10 per cent of the total value of the project. I accept that we are talking about the first cabs off the rank, but the Minister went on to suggest that the total value of local content to Australia generally was likely to be about 34 per cent. That simply is not good enough. It is easy to say that, and if I were in the Minister's shoes we would find it difficult to push it up, but I believe we must do better than 34 per cent.

In the 1960s and 1970s a study was undertaken and used by many other people; it became folklore. It was based on one reasonably good study, and we said the local content was averaging about 70 per cent. Now it is down to 34 per cent according to the expectations of the Minister. I appreciate that offshore oil and gas is very different from building onshore projects in the iron ore industry or other mining ventures. The technology is very specialised in offshore environments, and Australia simply would not have a lot of the technology and expertise required.

The Minister is keen for the State to start moving to acquire that technology and is pushing to establish institutes of higher learning and specialist centres so that we attract that expertise and play a greater part in developing it. I commend and support that. However, this is an area that moves very quickly. By the time we get that established a number of opportunities will have slipped by and we might find we cannot hold the State as a centre for the oil and gas industry which this State is becoming. Things might pass us by. We must run very hard to keep in the game with oil and gas development. I hope we can do it much better.

In recent times there has been a total change towards the development of the major resource projects. That is partly due to modularisation. That certainly fits in with offshore developments where, because of the specialisation and the need to locate them in difficult areas in the ocean, the units are put together somewhere else, taken out and installed on a platform. That means the modules can come from a range of places, many outside Western Australia and even Australia.

Mr Barnett: I do not disagree, but are you aware that the Laminaria project is in commonwealth waters off the Northern Territory and we have no jurisdiction over it whatsoever? It is only by good work within this State that so much work has come here. The other aspect is that the major cost for this project is a floating ship or barge which is about one and a half times the length of the Melbourne Cricket Ground. It is being built in Korea because it cannot be built in any port or shipyard in Australia. I agree with your sentiment that offshore oil and gas is a serious issue. As I said to some of my federal colleagues, at the moment Australia does not have a policy for developing what is arguably the richest petroleum sector in the Asia-Pacific.

Mr KOBELKE: I thank the Minister for his comments; he is endorsing what I said. We cannot hope to achieve the same level of local content on offshore projects as we did with the 1960s iron ore projects. We must increase the level and I know the Minister is trying to do that. However, we must do more. I will refer later to two aspects, one of which the Minister has just noted; that is, the need to have an industry policy at a national level. We do not have that. Although some efforts have been made in that direction we are well short of having a meaningful industry policy at the state level. Without one nationally, perhaps it cannot be done.



Mr Barnett: I disagree. On even offshore oil and gas where we have jurisdiction we are getting high rates of local content. For example with the East Spa project over which we had jurisdiction, from memory, local content was 75 per cent or 80 per cent, which are good results. Out in deep commonwealth waters it is a different story.

Mr KOBELKE: At a reasonably convenient time soon will the Minister table some papers indicating how the local content was put together for East Spa?

Mr Barnett: If you ask a question on notice I will put that together; it is public information.

Mr KOBELKE: As a result of the development of modularisation we now run the risk that many onshore projects will be built by that method. If Kintyre goes ahead as a uranium mine in the middle of the desert there is no reason the plant could not be built in Queensland, New South Wales or somewhere else and trucked in. Western Australia would not get the jobs. We must position ourselves to compete in that changing marketplace so that we get more jobs in Western Australia.

I have seen the papers presented by the Chamber of Commerce and Industry to the federal parliamentary committee that came through Perth some time ago. Its proposal to the Federal Minister for a major development at Jervois Bay also has been made public. The CCI was very anxious to get funding at both state and federal level to see the Jervois Bay project go ahead. The State's commitment is a minor part of it. It will not be up and running in a short time thus ensuring that Western Australians get work building the necessary modules for a range of these projects. I am not talking about just offshore; I am talking about nickel, uranium or whatever projects occur throughout Western Australia. I am sure the Minister is aware of that proposal. I mention that briefly to put it on the record. The CCI worked it up in close consultation with unions to ensure a centre existed in Jervois Bay, Henderson where labour relations ensured maximum productivity and the range of skills and facilities were available to produce the modules. That meant the establishment of a major land-backed berth where ships, such as the Minister mentioned which are a crucial part of servicing offshore oil, could be brought down for work to be done in Perth. A ship was serviced in Fremantle Harbour a year or so ago.

Mr Barnett: The *Griffin Venture* was serviced in Fremantle Harbour only a month or six weeks ago.

Mr KOBELKE: I am referring to a major service done about a year or so ago. The structure of the wooden wharf at Fremantle prohibited the use of heavy cranes needed to do the work efficiently. The facilities at Fremantle wharf limited the type of work. The skilled people are available, but the facilities are not available. Together with the unions the CCI wanted a government committee to put in a facility which would enable that work to be done in Jervois Bay. In addition the unions were willing to agree to one union coverage to eliminate industrial disputation between unions. The conditions and the approach would be those of a manufacturing work force rather than an onsite construction work force to avoid the type of problems faced by the hot briquetted iron ore plant at Port Hedland.

The idea is to eliminate industrial disputes which tend to occur on remote sites and establish a culture of labour relations in which disputes are minimised and productivity is maintained with an ongoing set of contracts which will provide employment for specialised craftspeople and technicians. It would be on one location. One day those expert trades people might be working on an oil and gas contract for the north west, another for somewhere in South East Asia, and another that might be for an onshore module for a nickel plant or a uranium plant. That specialty would be available to create jobs. It was a proposal that stacked up. It was the sort of proposal that would ensure we picked up more long term jobs relating directly to the resources industry in this State. However, we will not do it. The Government has taken too long contributing small amounts of money and building a bit of a breakwater but taking it no further.

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

Mr KOBELKE: That total concept will not be in place to enable us to win a bigger sector of the development work for these projects. The other aspect which would flow from that and which is most important is that the amount of work generated in maintenance and production work when a project goes into production is directly linked to companies that are involved in the construction stage. If the construction is done largely by companies overseas they will pick up a much larger percentage of the ongoing maintenance and production work involved. Western Australians want those jobs. We must be in on the ground floor getting a much larger percentage of the construction work.

I have alluded briefly to the Federal Government. It seems to be keen, with its "flat earth" economic policies, to destroy jobs in this State. Fortunately the representations of many people, this Government included, succeeded in convincing it to continue some part of the existing bounty to the shipbuilding industry in Western Australia. The Government says that that industry is now worth approximately \$400m a year. It did not exist when the Labor Government was first elected in 1983. It was put there by Labor Governments to create secure, long term jobs which needed that bounty to be able to compete with countries which assist with much greater subsidies.

The Federal Government also tinkered with a reduction in research and development tax allowances, again, where Western Australia was looking to grow and develop further its software industry and a range of innovative industries whether related to the minerals industry in which we do well, or a range of other areas. The Government is cutting back in these areas.

I refer to the Federal Government's recent announcement of a five-year freeze on tariff reduction in the textile, footwear and clothing industries. The Deputy Premier expressed his opposition to the Federal Government's decision and suggested that Western Australia would benefit more by a reduction in those tariffs because the result would be cheaper clothes and shoes, a lowering of costs and more concentration on exports. I disagree with him. In this instance the Federal Government has made the right decision. I do not know its reasons for doing that because it flies in the face of its stated economic policies. Australia is an exporting nation. The more it can encourage international trade, participate in trade and sell its primary produce and products around the world the better off it will be. The view that we will be better off if tariffs are reduced and industry is not protected, is simplistic. The figures do not stack up. Although the computer models might be complex, the underlying approach is simplistic. International economies are based on a range of factors, the key factor being national self-interest. Other countries will compete with Australia and, in the process, look after their national self-interest. Australia must do that as well. Our national self-interest is to have a reduction in tariffs, but not unilaterally.

We should not wipe out all protection of our industries or jobs because in the longer term we want lower tariffs. We need to be much more specific and diversified in our approach. The simplistic approach that if costs are lowered jobs will be created elsewhere does not work. There is some advantage in it, but it really does not work. To create jobs industries must be created. Industries require capital, technology, expertise in management and markets. We must put the whole picture together and sell the product internationally because Australia's domestic market is not big enough to take up the product that needs to be produced to maintain the current standard of living. We must have in place industry policies and a range of limited protection. I am not suggesting we re-erect that barrier of tariffs to insulate ourselves. It is not practical and it will not work. Jobs should be maintained with a level of protection, where appropriate. That means we must come back to an industry policy. It will not occur in every area. In some areas we might have to be highly selective and we would need to do that in close consultation with industry.

I take as an example the clothing industry. A standard tariff on clothing may mean that the product which is required at an early part of the process - for example, spun yarn of a particular type or quality - needs to be purchased from elsewhere at a cheaper rate. In consultation with the industry we may wish to reduce the tariffs on that. That product could be purchased cheaply from another country and assist a part of the clothing industry which has a greater employment potential in this nation.

These things must be worked through and they cannot be changed on a whim. These companies, when investing, look to the long term security of that investment. They will not put in a new plant to increase their production and sales or take on more staff if there is a fear that in three to five years there may be a change to the rules of the game. The policy must give some form of security to the people who will invest in these industries. If we do not provide for a range of industries it will not be possible to have competitive industries in Australia. When I talk about a range of industries, I mean those industries that can complement and support each other.

Another aspect is to ensure there is a range of types of employment. That is necessary from the point of view of not only national security, but also people having a range of skills and abilities. Not everyone will be a computer technician or a software engineer. Some people will have to find jobs that require a lower level of skill. It is no good saying that if we suddenly reduce all the costs we will have high tech industry. We need to look to what is in the state and national interest. The nation also needs an industry plan across a range of areas which spells out which areas will be provided with special assistance. It should also indicate the extent and the nature of that assistance and the number of jobs that are expected to flow from that action. A commensurate commitment would be required by the industry groups that they see themselves as having a long term future in Australia, that they will be export competitive, and that they will be able to provide long term, well paid jobs. The view which seems to imbue the Government that it can push down wages and somehow cut costs is self-defeating.

By way of interjection to my contribution it is evident that members opposite agree that this State does very well in the resources area. It is not doing well in the housing and retail industries. Why not? The reason is the attack which has been made on the conditions and wages of ordinary workers. While the average weekly wages have increased sectors of the community have had their wages cut. Through this Government's action, bus drivers had their wages reduced by \$100 a week. I met one family from your electorate Mr Acting Speaker (Mr Baker) who had to sell their house because they could no longer meet the mortgage payments.

We simply cannot reduce wages to the point that we can compete with Asia for cheap labour. It kills local small businesses because people stop spending money locally. It is a self-defeating spiral. Australia should be a high cost, high quality country and it can find its niche in the world if Governments look after the workers and are innovative

and creative in establishing industries which have a future. It is a changing and difficult world, but Australia has the expertise and the ability to adapt to meeting that challenge; but to do that it needs a Government that gives a lead and not one that sits on its hands and adopts the simplistic view that the market will look after this nation's future. The market is an important factor, but it will not look after this nation's future. Governments, people and companies in Australia must provide for the future of Australia.

**MR MARLBOROUGH** (Peel) [5.18 pm]: I take this opportunity to raise an issue that is affecting my electorate. It is obvious from the headlines in the Press in the past week that it is also affecting the whole of the State, and I refer to the impact of the Government's unwillingness to put finances into the health arena. The current deficit confronting the Health Department is approximately \$70m.

I will refer to the problems that have been developing over the past two years and which continue to increase, particularly in the Rockingham region. I refer particularly to the Rockingham-Kwinana District Hospital. It was only 12 months ago that the hospital received its last accreditation. At the time the accreditation body made specific comments about the services it was providing in the allied health area. Those areas included the important medical procedures provided by occupational therapists, podiatrists, physiotherapists, dieticians, diabetes trainers and dentists. Although at that time the hospital was commended for the services it provided to the Rockingham region the accreditation body signalled a warning. It said in its report that the health services needed to be rapidly upgraded. Although the services were available, they were not at the level that was demanded by the population growth in the community, they would rapidly decline, creating problems in the community.

In the 12 months since that accreditation, we have seen all of the report's predictions come to pass. In the last financial year, the year ended 30 June 1997, Rockingham Hospital had a deficit of \$700 000, and it had a deficit of \$350 000 in the 1995-96 financial year; that deficit was eventually recognised by the Minister and the Health Department, and the hospital's budget was topped up to meet that deficit, but it has not happened this year. Therefore, the hospital's costs blew out by \$700 000 because by necessity it had to offer services to a rapidly growing population. In fact, this area is now growing faster than any other part of the metropolitan area, and is one of the two top growth areas in the State. In trying to meet that demand, the hospital has acquired that deficit.

We see the present financial crisis in this State with the \$70m loss to Health across the board. It is having a further impact. I talk to my constituents who tell me the problems, as were reported earlier by the very good member for Rockingham: He is a young man I had some pride in supporting and working for during his election campaign. He has demonstrated all of the attributes of a very good member of Parliament, and that has been recognised on both sides of the House. He continues to work extremely hard for the community. He is never short of new ideas and ensures that his voice is heard in the local media and takes every opportunity in Parliament - and rightly so - to persuade the Government to support his area.

Mr Carpenter: And he is always good for a lift home!

Mr MARLBOROUGH: Since I have been in a bit of strife, he is always good for a lift home as well. That is very much appreciated with the small difficulties I have in getting home; it will be only temporary I hope.

The point raised by the member for Rockingham earlier today outlined the problems faced by the constituency of Kwinana and Rockingham we share. The longest waiting list of any hospital in the State is at Rockingham. The waiting lists apply to a number of areas, not only dentistry with 2 200 patients waiting more than 12 months for treatment. Regardless of how many new chairs are provided - four were made available in the new building - the resources are not sufficient to enable the necessary work to be carried out to deal with not only the backlog but also the growth in the area.

Mr McGowan: The waiting list is getting longer even with the four new chairs.

Mr MARLBOROUGH: Absolutely. The waiting list is increasing in a number of other areas. For example, let us look at diabetes, a matter close to my heart. I do not know a great deal about the condition from a medical point of view, but I read everything I can on the subject. My father died four years ago as a result of a stroke brought on by diabetes. It is in my family. My mother and my brother have diabetes. On my wife's side of the family, two or three people have diabetes. Fortunately, it is one of the few illnesses I do not have; I do not have it, and I do not want it.

Diabetes particularly affects the elderly, and we are not able to service that need in the Rockingham community. The most authoritative body on national health requirements - so this is not only my view - in its national plan for diabetes made it clear that one of the best and most effective ways of handling that disease is to have early intervention through education. This involves entering the community and people's homes. We are presently unable in Rockingham to service that need. We cannot meet the guidelines set down by the national health plan for delivering that service in full to the community.

Rockingham does not have the necessary number of dieticians to service the total community so the needs of many individual family members cannot be provided a cooking plan outlining the types of foods they need, and how often they need them. Rockingham does not have an appropriate diabetic educator. We have a part time dietician-diabetic educator, but a number of full time people are needed in that area alone.

The population growth in the area has led to the massive hospital budget blow out of \$700 000, and this was triggered by this Government's unwillingness to put resources into the region. It is clear from the Premier's answer in this House that the State Government itself has reduced funding to the health system in this State. These cuts are having a dramatic impact. I say to government members that the picture I paint in regard to Rockingham is similar to the situation in any part of the metropolitan area which is not within a 10 kilometre radius of Sir Charles Gairdner or Royal Perth Hospitals. It could be Joondalup, Rockingham, Kwinana or Armadale, as similar problems are faced in areas with rapidly growing populations and not enough allied health services.

In a rapidly growing area one's health needs include speech specialists. We do not have them in Rockingham. We presently have a six month waiting list for speech therapy. Young children with speech impediments and stroke victims need attention and no-one can be happy about that lack of service when caring for our families, particularly the young and elderly.

Podiatry has a six to seven month waiting list in the Rockingham Hospital. Again, this lack of service affects the aged. When considering how the health dollar affects people, we know that our health needs increase as we age. People who most use the health system are people in my age group; that is, those aged over 50 years.

Mr Johnson: You are not over 45.

Mr MARLBOROUGH: I am 52 years of age; I was born on 12 August 1945.

Mr Johnson: You do not look it!

Mr MARLBOROUGH: The benefit of that is when I am aged 82 years, I will look 76. I look forward to reaching that age.

The elderly and those for whom we should be most caring are affected by these savage cuts to our health system. Other allied health areas involve social workers, who are totally under-resourced in Rockingham Hospital. I am told by health field workers that we need at least another four social workers working in and out of the Rockingham Hospital to come to grips with the problems in the region. We have one occupational therapist working in Rockingham for two days a week, which is absolutely ludicrous. We should have two or three occupational therapists working at that hospital full time for seven days a week. The waiting list for physiotherapy is massive. People living in Kwinana told my electorate office today that they cannot get physiotherapy at Rockingham Hospital in time to effectively impact on their present state of health. By the time they got physiotherapy it would be all too late and the benefit would be wasted. With a health system which is staggering along in crisis and affecting the aged and the young - and we should care more for them than for other people - no Government can be satisfied that it is providing a social dividend to the community. People who live in Perth and its environs might not see it as such a problem.

There is no doubt where the Minister for Health will take the present resources available in the major hospitals, if we listened to his speech yesterday. He told the shadow Minister for Health that we have specialist heart surgery at Royal Perth, Sir Charles Gairdner and the Mount. They are all near enough to throw a handkerchief over. The Minister for Health said that we must look at whether we need those resources in that area. He went on to say that he believed that when we looked at the health resources we needed to look at putting them out to where the population resides. I predict that we will see some savage reductions of services in the major hospitals, which will occur very rapidly. I think the Minister has flagged major changes in the areas of heart, cancer and major surgery.

My plea to the Government is that it must find resources; it cannot simply argue that they are beyond reach. This Government can find \$450m to put in a Northbridge tunnel. People right across the political spectrum are questioning whether in this day and age it is needed. Many people who are far more articulate and educated than I about the needs of transport argue that we would be far better off spending far more on public transport. It would relieve the traffic problems that we are getting in that part of the city far more than a \$450m tunnel. Any Government that can pluck \$450m out of the air with some smart accounting practices by charging a \$50 WA Inc levy on the licensing fees and imposing a 4¢ tax on a litre of fuel, is capable of coming up with the appropriate legislation. The Government can come up with a solution that will restore the Health budget to the proper level. It is not a question of money being a problem but of the commitment to the people we represent and of getting our priorities right. What comes first, moving a bit of earth to create a cut to move vehicles along for healthy people going to and from work? What are we doing for them apart from maybe improving their travel time between A and B by a couple of minutes and reducing their anger when they may be at a road block or red light for too long? Measure that against what we should be providing in the hospitals of Rockingham and Armadale and where the population resides. I suggest to

members that any rational thinking person would come down on the side of those dollars being spent on caring for people. When Governments speak of a social dividend, people think about education and health and also about better law and order, but the key areas are education and health. People do not think about a tunnel in Northbridge. Half the people in my electorate do not come to Perth. Certainly if they come to Perth they do not go over the Beaufort Street bridge. They do their shopping in Hay Street and Murray Street, get on the train at Wellington Street, go back to Fremantle and then get on a bus to travel to Rockingham or Kwinana. They do not worry about a tunnel and do not even go to Northbridge. They stay south of the railway line. The tunnel will not benefit them, but taking a fraction of the required \$450m and allocating it to the Rockingham region would benefit them a lot.

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

Mr MARLBOROUGH: In the light of those comments I will touch on the hypocrisy of the Government's health policy and where it is driving health. It may be worthwhile to remind the House how dramatically this Government has changed its health policy in the past two years. After the Government's election Hon Peter Foss was the first Minister for Health. He took over a health system that was well funded but had a plan in place to regionalise the health system. The plan was to break the metropolitan area into five or six regions and put in regional managers. The rationale was that with a regional system we would be more in touch with the community needs of an area and could better distribute the health dollar. For example, if an area had a problem with the aged, money could be concentrated in that area. Hon Peter Foss ran with that policy and supported it. By doing so he quickly started to get himself offside with the real powerbrokers in the health system, the doctors - particularly those with a vested interest in Sir Charles Gairdner and Royal Perth who never get beyond those hospitals and the Nedlands Golf Club after four o'clock on a Friday afternoon, because they certainly do not come down to Rockingham Hospital all that often. He upset the politics of health in that area. So the pressure was on the Government in that area and it was forced to remove him. He supported a regionalisation policy which by its very nature could work only by taking money out of the budgets of Royal Perth Hospital, Sir Charles Gairdner Hospital and other key hospitals and sending it into the regions.

The rationale for that was simple. At that time, the health dollar was split in this way: Between 68¢ and 70¢ in every health dollar was spent in Perth and the northern suburbs; and between 36¢ and 38¢ in every health dollar was spent in the southern and south east corridors, which is where the population growth is found, and which is the area to which the Minister is now saying we need to take health facilities.

Then came the member for Riverton, the now Minister for Labour Relations, who also was locked into a regional health policy. We as local members started to meet with the regional directors of health. We came under the south west metropolitan regional health system, and we met with the regional director, whose name escapes me, at the regional headquarters for our health region, which was an office in South Perth that the Health Department had already purchased or was leasing. That model was in place during that Minister's time as well.

We have now seen a complete turnaround where we have moved to a centralised health model. The Minister for Health will say that is a good model because a central committee will determine the health dollar, and the regions will have representatives on that central body. However, we must keep a very close eye on the operation of that model. We must see whether it does deliver the health dollar to the areas of population growth. My view is that it will not. My view is that the politics of health are so strong that the health dollar will basically remain in the Perth central area.

I finish on this note and ask the Government and my colleagues to think about it: Regionalisation has been adopted as a model for the Police Service. The Delta program that is driven by Commissioner Falconer is about regionalisation. When the Commissioner of Police talks about delivering better services to the community through the Police Service, he is talking about regional bodies that are more in touch with the needs of the communities they represent. If it is good enough for the Police Service to adopt that model, why is it not good enough for health? If it is good enough for the Education Department to regionalise education, with the finalisation two weeks ago of the appointment of 16 district directors, why is it not an appropriate model for the better spending of the health dollar? I suggest that it is the best model for the spending of the health dollar.

The model that is now being put in place by the Minister for Health has simply taken cognisance of and bowed to the politics of health. It has bowed to senior doctors in the system who are able to shake the Liberal Party to death when it suits them. That is why we have seen a complete reversal of regionalisation policy in the life of this Government, from the time of Hon Peter Foss to the present Minister. I suggest to all my colleagues in this House that the model being pursued by the Government should be looked at closely. I am very suspicious about whether it will work, and I am very concerned that it will not address the need to put the health dollar into the Rockingham-Kwinana region so that the people of that region will receive the health services that they deserve.

**MS MacTIERNAN** (Armadale) [5.44 pm]: At the urging of my Whip I have decided that it is important to make

a few comments on this important Bill, the Loan Bill. An initiative was raised today in the Parliament arising from a statement by the Australian Commissioner of Taxation about discretionary trusts and trusts in general. The Commissioner of Taxation pointed out that there were real problems in the taxing of these trusts and that it was time we considered applying proper tax treatment to both unit trusts and discretionary trusts.

I could not agree more. I have been listening closely to the excellent contribution of the member for Peel, in which he outlined the problems in his community that are not being addressed and pointed to the real need for taxation dollars to be diverted to his community. I agree with the member for Peel that there is real discrimination in the way that these dollars are being applied. However, the overarching problem is that not enough of these dollars are being collected. The comments made by the taxation commissioner must be given serious consideration.

The subject of discretionary trusts is very close to my heart. At the Labor Party national conference in 1994, I successfully moved a motion that the Federal Government examine the recognition of discretionary trusts, because in many ways it is anathema to justice to allow discretionary trusts to have any legal status. Mr Acting Speaker (Mr Baker), as a lawyer you are probably aware that discretionary trusts emerged out of the common law and out of the seats of privilege in the English courts. They were clearly mechanisms designed to protect the wealth and influence of a few.

We need to make an important distinction between the concessions that we give to companies and the recognition that we afford to discretionary trusts. The notion of recognising limited liability in companies had a sound commercial and social basis. It was a necessary component of enhancing and assisting capital formation and the development of our western economies in the industrial age. However, we cannot say the same about discretionary trusts. They do not perform any useful social purpose. Discretionary trusts are fundamentally situations where assets are deemed not to be vested in anyone at a particular time. The western world is awash with assets that at any particular time are not vested in an individual or company and are, therefore, treated favourably under taxation systems. Discretionary trusts are used primarily as devices to defeat the trustee in bankruptcy and the Family Law Court. In my view, no arguments can be raised in favour of our continuing to give legal recognition to discretionary trusts and thereby encouraging their proliferation. It is time that we abolished the absurd concept of giving legal recognition to discretionary trusts and ensured that these mechanisms of avoiding tax and of avoiding creditors were removed from the system. I hope that any serious tax reform would take on board the need to abolish these as an entity.

In my remaining time, I wish to make an unrelated comment. I note that the Minister for Housing is in the House. The other day he made an extraordinary statement, and I am interested to know if he is prepared to repeat that statement in this House. He said on a radio show, chaired by Howard Sattler - if one could call it that - that I had been told by the Trades and Labor Council to lay off Keystart, and that I had said to the TLC that it should nick off! That was an incredibly fanciful discussion! It is not surprising to hear such a statement by the Minister. This is not a statement I would use lightly but some of my colleagues may, and I would not say this in respect of my colleagues on the other side, but this Minister does not know what is going on within his portfolio area. He is resorting to these fanciful hypotheses. If he knows what is going on he is a bigger mung bean than I thought.

Dr Hames: I know exactly where you got your information, and I can tell you it is not correct.

Ms MacTIERNAN: This is fascinating. On numerous occasions the Minister in Parliament has made reference to my union boss being the TLC. Apparently I am a very disobedient servant because apparently the same TLC who is my boss has told me to lay off and I have told it to nick off! I want to know how the Minister knows that, because subsequent to his statement I contacted the TLC - this is the first time I have discussed the matter with those people - and at all levels it was denied that the statement was made. People at the TLC denied it because they knew that they have never discussed the question of Keystart with me. I will be fascinated to see the Minister, in the time remaining, pop up and tell us who told him that the Trades and Labor Council told me to lay off and that I told the TLC to nick off. I would like to know. Perhaps he would like to do that by way of interjection.

Dr Hames: I will not name the person who provided the information. I did have the name with me, waiting for the member to ask a question during question time, but I do not have it with me any more. My information is that Keystart had been discussed with the member to try to convince her of the importance of Keystart, and that the discussion had been unsuccessful. I must admit that my interpretation was that the matter was discussed with the member and that she told them to nick off. That is probably the way the shadow Minister for Housing, who is chuckling in the background, may have described it as well. I am happy if the member wants to deny it. I accept her denial, but I think that the public on hearing that version of the version given to me will make up its mind about what is more likely to be true.

Ms MacTIERNAN: That is extraordinary. It has not got us anywhere.

Dr Hames: It sounded a very believable story when I heard it.

Mrs Roberts: If you are wrong, will you apologise to the member for Armadale?

Dr Hames: I have already. I said that I am happy to accept her denial, but from the information provided it sounded believable.

Ms MacTIERNAN: It has all been made up by the Minister who is having great difficulty addressing the issue. If anything, raising this matter went to my credit; unlike the Minister, I was not prepared to be shoved around by my so-called boss; I was showing fearless independence in protecting the interests of working class people in this State, and I was prepared to defy my supposed union boss!

Dr Hames: That may be true, and I congratulate the member if that is the case. However, the other suggestion made was that she saw Keystart as a way to increase her profile, and she may have ambitions for higher office within the Labor Party.

Ms MacTIERNAN: Them's fighting words! It is pathetic. I assure the Minister that I am more than happy in my position, and I know that in three years I will be the Minister for Transport and the Minister for Fair Trading, and I will have a grouse time. That is the limit of my ambition. I have never had any conversation with anyone at the Trades and Labor Council nor at the TLC Building Society about Keystart; so it is not just a question of interpretation -

Dr Hames: Does that apply to Goodstart as well?

Ms MacTIERNAN: The same applies to Goodstart. I have never had a discussion with anyone at the TLC about Goodstart either. It is fascinating that this is not just a question of interpretation. It is a complete and utter fabrication by the Minister who knows that he is running a portfolio in which a major issue has been completely botched.

Debate adjourned, on motion by Mr Barnett (Leader of the House).

*House adjourned at 5.57 pm*

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# QUESTIONS ON NOTICE

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

## DOMESTIC VIOLENCE - PROGRAMS

### *Expenditure*

1314. Dr CONSTABLE to the Minister for Police:

What budgets were allocated and spent on programs related to domestic violence for 1997-98 and in each of the last three years?

Mr DAY replied:

A budget of \$398.7 million was provided to the Western Australia Police Service for the 1997/98 financial year. This allocation is being utilised to fund staffing, law enforcement related activities and associated programs and initiatives. In addition to the usual staffing and other costs, the discretionary budget for the Domestic Violence Unit funding is as follows:

1997/98	\$282,000	discretionary allocation
1996/97	\$283,000	expended
1995/96	Accurate costings not available as the Domestic Violence Unit was not established until late 1995.	

Whilst the Police Service undertakes specific domestic violence related programs, they are not isolated and are undertaken by all Police Districts and, as such, it is not possible to provide more definitive information relating to costings in this regard.

## SCHOOLS - GOVERNMENT

### *Statistics*

1330. Mr RIEBELING to the Minister for Education:

With regard to government schools in the State electorates of -

- (a) Albany;
- (b) Avon;
- (c) Bunbury;
- (d) Burrup;
- (e) Collie;
- (f) Dawesville;
- (g) Eyre;
- (h) Geraldton;
- (i) Greenough;
- (j) Kalgoorlie;
- (k) Kimberley;
- (l) Mandurah;
- (m) Merredin;
- (n) Mitchell;
- (o) Moore;
- (p) Murray-Wellington;
- (q) Ningaloo;
- (r) Pilbara;
- (s) Roe;
- (t) Vasse;
- (u) Wagin;
- (v) Warren-Blackwood,

for each school in each electorate -

- (i) what are the names of the schools and the current enrolment and staffing levels at each of them;
- (ii) what are the class sizes and staff-student ratios;
- (iii) what is the capital works program over the next three years;
- (iv) what is the maintenance program;



- (v) how many cleaning and gardening staff are employed (please indicate if they are on contract);
- (vi) how many computers are available to the students?

Mr BARNETT replied:

- (i)-(ii) See paper No 669. Schools, Staff and Students by Electorate as at Semester 1, 1997.  
Note: Average class sizes are only applicable to primary schools.

- (iii) Toilet replacements, covered assembly areas and library resource centres to be provided during 1997/98 are as follows:

(a)	Albany:	Mount Lockyer Primary School - New Toilets.
(b)	Avon:	Wundowie Primary School - Covered Assembly Area.
(c)	Bunbury:	Nil.
(d)	Burrup:	Roebourne Primary School - Covered Assembly Area.
(e)	Collie:	Kirup Primary School - New Toilets. Donnybrook District High School - Library.
(f)	Dawesville:	Nil.
(g)	Eyre:	Nil.
(h)	Geraldton:	Rangeway Primary School - Staff Toilets.
(i)	Greenough:	Kalbarri Primary School - Staff Toilets, Covered Assembly Area.
(j)	Kalgoorlie:	Nil.
(k)	Kimberley:	Nil.
(l)	Mandurah:	Nil.
(m)	Merredin:	Buntine Primary School - New Toilets. Doodlakine Primary School - New Toilets. Ejanding Primary School - New Toilets. Moorine Rock Primary School - New Toilets. Wubin Primary School - New Toilets.
(n)	Mitchell:	Nil.
(o)	Moore:	Carnamah District High School - Covered Assembly Area. Bindoon Primary School - Covered Assembly Area.
(p)	Murray-Wellington:	North Dandalup Primary School - New Toilets.
(q)	Ningaloo:	Nil.
(r)	Pilbara:	Nil.
(s)	Roe:	Newdegate Primary School - New Toilets. Lake Grace District High School - Library. Jerramungup District High School - Covered Assembly Area.
(t)	Vasse:	Vasse Primary School - Library.
(u)	Wagin:	Williams Primary School - Covered Assembly Area. Yealering Primary School - New Toilets.
(v)	Warren-Blackwood:	East Manjimup Primary School - Covered Assembly Area. Greenbushes Primary School - New Toilets.

The administration upgrade program is currently being finalised. Schools to be included on this program will be announced in the near future. Details of the capital works programs for 1998/99 and 1999/2000 will be announced within the context of the State Budgets at that time.

- (iv) \$55.1 million has been allocated to maintenance and minor works in the 1997/98 budget.

- (a) Preventive Maintenance: This funding is distributed to District Offices for allocation to individual schools, through maintenance committees. The District Offices have received the following amounts and are still in the process of finalising their maintenance programs for the year.

Albany	\$397 157
Bunbury (North)	\$248 725
Bunbury (South)	\$211 467
Esperance	\$386 020
Geraldton (North)	\$269 082
Geraldton (South)	\$452 078
Hedland	\$488 471
Kalgoorlie	\$617 791
Karratha	\$516 335
Kununurra	\$567 749
Manjimup	\$209 788
Merredin	\$214 308
Moora	\$243 988
Narrogin	\$607 973
Northam	\$447 714
Armadale	\$558 857
Darling Range	\$686 393
Thornlie	\$480 875
Head Office	\$748 196

Alexander	\$421 342	
Bayswater	\$627 601	
Joondalup	\$320 753	
Scarborough	\$794 506	
Swanbourne	\$1 128 555	
Whitfords	\$550 910	
Cockburn	\$507 519	
Melville	\$553 225	
Peel	\$577 303	
Perth (South)	\$541 596	
Willetton	\$403 722	
Total:		\$14 780 000

Amount withheld in case of increased Faults expenditure:	\$ 1 000 000*
Fees:	\$ 420 000
TOTAL:	\$16 200 000

\* Note: Any unused funds will be distributed to Districts at the conclusion of the year.

- (b) Faults: Faults funding is allocated on a needs basis.
- (c) Roof Replacement Program: Contracts for the removal of asbestos roofs at the following schools are out to tender and are currently being negotiated. It is expected that all projects will be let within the next two weeks. The work should be completed by the end of the Term 3 break. The value of these contracts cannot be disclosed prior to their approval.

Koorda Primary School  
 Karragullen Primary School  
 Esperance Primary School  
 Kalbarri Primary School  
 Shark Bay Primary School  
 Ashfield Primary School  
 Embleton Primary School  
 Hillcrest Primary School  
 John Forrest Senior High School  
 Mount Lawley Senior High School  
 Nedlands Primary School  
 West Leederville Primary School  
 Cottesloe Primary School  
 Katanning Primary School  
 Kirup Primary School  
 Hamilton Hill Senior High School  
 South Coogee Primary School

The total funding for the roof replacement program in 1997/98 is \$4.0 million.

- (d) Minor Works: Funding worth \$17,829,000 has been allocated. Minor works funding is distributed on a formula basis comprising a base allocation plus additional funds depending on student numbers and the school's relative isolation.

Including a carryover commitment of \$5,471,000, these programs comprise \$55.1 million worth of funding for maintenance and minor works.

- (v) The number of cleaning and gardening staff employed by the Department in the prescribed State electorates are listed below. Please note that the figures include employees who are supernumerary in the Department and replacements for people on leave.

Electorate	Schools under Contract	Day Labour Cleaners	Day Labour Gardeners
Albany	1 school	46	10
Avon	Nil	49	16
Bunbury	Nil	47	12
Burrup	Nil	72	17
Collie	Nil	48	21
Dawesville	2 schools	14	5
Eyre	3 schools	45	16
Geraldton	Nil	47	12
Greenough	Nil	43	17
Kalgoorlie	2 schools	29	10
Kimberley	Nil	39	17
Mandurah	4 schools	19	4
Merredin	Nil	80	40
Mitchell	Nil	39	12
Moore	Nil	61	36

Murray-Wellington	5 schools	24	15
Ningaloo	Nil	51	23
Pilbara	1 school	35	15
Roe	1 school	70	35
Vasse	Nil	33	8
Wagin	Nil	66	26
Warren-Blackwood	Nil	59	22

Note: Records of the number of contract cleaners are not kept by the Department.

- (vi) The total number of computers available to students at each government school is not known as schools purchase additional equipment with their own funds. However, a per capita based School Grant is paid annually to all government schools and this amount includes sufficient funding for the purchase/lease of technology equipment. The extent of this funding is such that it would provide for a minimum base allocation of one computer for every 100 primary students and one computer for every 40 secondary students. Additional funds provided in 1997/98 mark the start of a four year \$17.8 million technology initiative which will see this minimum base provision doubled (ie, one computer per 20 students in secondary schools and one computer per 50 students in primary schools).

#### SCHOOLS - GOVERNMENT

##### *Education Support Centres*

1331. Mr RIEBELING to the Minister for Education:

With regard to government schools -

- (a) what are the names of the Education Support Centres;
- (b) how many staff are attached to each centre, in the State electorates of -
- (i) Albany;
  - (ii) Avon;
  - (iii) Bunbury;
  - (iv) Burrup;
  - (v) Collie;
  - (vi) Dawesville;
  - (vii) Eyre;
  - (viii) Geraldton;
  - (ix) Greenough;
  - (x) Kalgoorlie;
  - (xi) Kimberley;
  - (xii) Mandurah;
  - (xiii) Merredin;
  - (xiv) Mitchell;
  - (xv) Moore;
  - (xvi) Murray-Wellington;
  - (xvii) Ningaloo;
  - (xviii) Pilbara;
  - (xix) Roe;
  - (xx) Vasse;
  - (xxi) Wagin;
  - (xxii) Warren-Blackwood?

Mr BARNETT replied:

(a)-(b)

Electorate	School	Teaching Staff (FTE)	Non-Teaching Staff (FTE)
Albany	Spencer Park Education Support	4.00	2.90
Avon	Avonvale Education Support Centre	3.75	3.99
Bunbury	College Row School	5.05	7.12
Bunbury	Newton Moore Education Support Centre	3.00	0.90
Bunbury	South Bunbury Education Support	3.75	4.39
Burrup	Karratha Education Support Centre	2.65	3.20
Geraldton	Holland Street School	2.85	3.80
Kalgoorlie	Eastern Goldfields SHS Ed Support Centre	3.30	3.43
Kalgoorlie	O'Connor Education Support Centre	4.20	4.73
Mandurah	Mandurah SHS Education Support Centre	4.55	3.50
Mandurah	North Mandurah Education Support Centre	3.75	2.55
Mandurah	Riverside Education Support	3.75	2.99
Pilbara	Cassia Education Support Centre	3.05	4.58
Warren-Blackwood	Manjimup Education Support Centre	5.15	2.24

There are no Education Support Centres in the following electorates - Collie; Dawesville; Eyre; Greenough; Kimberley; Merredin; Mitchell; Moore; Murray-Wellington; Ningaloo; Roe; Vasse; Wagin.

As well as Education Support Centres, the Department operates Education Support Schools and Education Support Units. Education Support Schools are traditionally segregated "special schools". They provide a full range of highly specialised educational, medical and paramedical services for students who have moderate, severe and multiple disabilities. Education Support Centres are located on regular school sites and are managed by an education support principal. They provide a modified educational curriculum for students with mild, moderate and severe disabilities who do not require intensive medical and therapy services. Education Support Units are located in regular schools and are managed by the regular school principal. They provide a modified educational curriculum for students with mild and moderate disabilities. (Country education support units also cater for students with severe disabilities). They receive support from the Visiting Teacher Service.

#### POLICE - NUMBERS

##### *Percentage Increase*

1447. Mr BROWN to the Minister for Police:

- (1) What is anticipated to be the police strength as at 30 June 1997?
- (2) From the 1997-98 State Budget, how many police will be appointed in this financial year?
- (3) Is the budgeted percentage increase in police numbers greater than the expected percentage increase in the Western Australian population?
- (4) What are the relevant percentages of both?

Mr DAY replied:

- (1) 4698.
- (2)-(4) The Government has undertaken to hold the ratio of Police officer to population. at one of the highest levels in Australia

#### CRIME - PREVENTION

##### *Budget Allocation*

1448. Mr BROWN to the Minister for Police:

- (1) How much was allocated to crime prevention measures in the 1996-97 financial year?
- (2) How were the funds allocated for this purpose distributed?
- (3) What areas of the State now have an active crime prevention program?
- (4) How much is allocated to each area?
- (5) How much has been allocated to crime prevention measures in the 1997-98 Budget?
- (6) Where will those additional funds be used?

Mr DAY replied:

- (1) The Crime Prevention Branch of the Community Services Command received an allocation of \$96,800 in the 1996/97 budget.
- (2) With the advent of regional policing in Western Australia local District Officers have responsibility for the management of all policing within their designated areas. Allocations to crime prevention programs are the responsibility of each District Officer. It can be said that crime prevention programs throughout the State are mainly generic in that they include Neighbourhood Watch, Rural Watch, School Based Policing and Juvenile Justice Diversionary Programs.
- (3) Active crime prevention programs are currently in place within all Police Regions throughout Western Australia. The promotion and management of crime prevention programs throughout the State are complemented through the contributions made by the twenty two district Community Policing Crime Prevention Committees. The State Crime Strategy recently introduced and funded by Government has also been implemented throughout all Police Districts. This amounted to \$500,000 in 1996/97.

- (4) It is not possible to quantify the amount of money which has been dedicated to crime prevention programs in Police Regions throughout the State. Responsibility for the servicing of crime prevention programs and strategies falls to the Office in Charge of each Police District.
- (5) To date budget allocations for Police Regions, Districts and Branches have yet to be determined. Once determined, funding dedicated to crime prevention will depend on future priorities identified by individual District Officers, in accordance with their local environment.
- (6) It is not known if additional funds will be dedicated toward crime prevention programs throughout Western Australia over and above those allocated in the 1996/97 budget as these are judgments which will be made by Regional Officers in consultation with the needs of their respective policing jurisdictions.

PUBLIC SECTOR MANAGEMENT ACT - SECTIONS 96, 97, AND 98

1744. Mr BROWN to the Minister for Public Sector Management:

- (1) Are sections 96, 97 and 98 of the Public Sector Management Act 1994 in force as yet?
- (2) If so, on what date did they come into force?
- (3) If not what is holding up their coming into force?
- (4) If they are not yet in force on what authority are requests for review or appeals in relation to appointment to or promotion within the Western Australian State Public Service now being handled?
- (5) How many persons have been appointed to conduct reviews or appeals on appointments or promotions and -
  - (a) who are they;
  - (b) how old are they;
  - (c) what is their present or former employment;
  - (d) how many review or appeals has each of them heard;
  - (e) in how many cases have each of them -
    - (i) found in favour of the person who sought the review;
    - (ii) found in favour of the recommended applicant;
    - (iii) referred the matter to the department or agency for recommendation?
- (6) When a request for review is made by a dissatisfied applicant, who selects the person to do that particular review from the panel available?
- (7) Once a review officer is so selected, is there any opportunity for the review officer so appointed to be replaced by another review officer, and if so -
  - (a) who has the power to dismiss and replace such review officer;
  - (b) on what grounds might this happen?
- (8) How much are the review officers paid for this work and -
  - (a) who makes the payment;
  - (b) how much have each of the review members been paid since their appointment?
- (9) Is the panel of review officers currently under review, and if so -
  - (a) what is the reason for this;
  - (b) how do people who want to be review officers get to be appointed;
  - (c) who selects them?
- (10) In relation to each agency or ministry or department -
  - (a) how many requests for review have been made;
  - (b) how many have been upheld;
  - (c) how many have been dismissed?

Mr COURT replied:

- (1) Yes.
- (2) 1 January 1996.
- (3)-(4) Not applicable.
- (5) There are currently thirty persons appointed as independent reviewers to conduct reviews.
  - (a) See paper No 670.
  - (b) Not available
  - (c) The present and former employment of independent reviewers varies from person to person. Independent reviewers are persons with broad management or administrative experience at senior levels, who have an appreciation of public sector processes gained from working in the sector or providing a consultancy service to a public sector agency involving human resource management.
  - (d) List attached for financial year 1997/98.
  - (e)
    - (i)-(ii) Individual statistics are not available. However, the number of breaches found or not found, by agency, has been provided in response to question (10).
    - (iii) In every review case the independent reviewer is required to submit a report to the relevant public sector agency. In cases where a breach is found to have occurred a recommendation on how to correct the breach is included in the report.
- (6) Independent reviewers are appointed by the Commissioner for Public Sector Standards and allocated to public sector agencies. An agency is required to select a person from the list provided by the Commissioner to conduct a review.
- (7)
  - (a) Only the Commissioner has the power to revoke the appointment of an independent reviewer.
  - (b) Conflict of interest, dishonesty, unethical conduct.
- (8) \$42.00 per hour, with a minimum fee of 2 hours payable per individual case.
  - (a) Payment of the fee is the responsibility of the public sector agency in which the review is conducted.
  - (b) Not available.
- (9) Yes.
  - (a) The term of appointment for the current panel of independent reviewers was for two years. This expires on 31 December 1997.
  - (b) Expressions of interest are called for in "The West Australian"
  - (c) The Commissioner for Public Sector Standards.
- (10) (a)-(c) Statistical data for the financial year 1996/97 is attached.

#### MINISTERS OF THE CROWN - MINISTER FOR POLICE

##### *Office Refurbishment*

1746. Mr RIPPER to the Minister for Police; Emergency Services:

- (1) Have any refurbishments or renovations been undertaken to the Minister's office since December 1993?
- (2) If so, what was the nature of the change/s?
- (3) What was the cost of the work undertaken?

Mr DAY replied:

- (1) Yes. Minor refurbishment was undertaken to the previous Minister's office in 1996.

- (2) 1 x Meeting table  
1 x Occasional table  
3 x Occasional chairs  
6 x Meeting chairs
- (3) \$6,411.00.

## TOURISM - TOURISTS

*International - Declining Numbers*

1794. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Have numbers of international tourists declined in the last three to four months?
- (2) Have the number of tourists from -
  - (a) Asia;
  - (b) South East Asia,
 declined in either -
  - (i) April 1997;
  - (ii) May 1997;
  - (iii) June 1997;
  - (iv) July 1997?
- (3) In percentage terms what has the decline been?
- (4) Has the Government undertaken any strategic or target advertising to try and improve the number of international tourists?
- (5) What strategic or target advertising campaign has been undertaken?
- (6) When did the campaign commence?
- (7) In what country or countries is the campaign operating?
- (8) What amount has been or is to be expended in each country before 30 September 1997?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

The Western Australian Tourism Commission (WATC) publishes information on international visitor arrivals to Western Australia on a half yearly basis through its Research Brief on Tourism. The Brief is released to the tourism industry in Western Australia to keep the industry informed of current tourism activity. This information is also published in the WATC Annual Report and Corporate Plan, and is regarded as the WATC's officially recognised estimates of international visitors to Western Australia. This is based on the International Visitor Survey (IVS) produced by the Bureau of Tourism Research (BTR) which is recognised as the accurate estimate. The latest available accurate data the Government has on international visitors (International Visitor Survey (IVS) December 1996) shows that Singapore returned a growth of 15.2% over 1995, Malaysia 21%, Thailand 17.5% and Indonesia 12.1%. Japan showed a 9.9% growth in 1996 over 1995.

According to the IVS, the State in 1996 received for the first time in excess of half a million (529,000) international visitors. This represented an increase of 8.9% over 1995. More importantly, these international visitors stayed for in excess of 10 000 000 nights which represented an increase of 23.7% and were worth \$827 000 000 (up 19.5%) to the State's economy. However, the Australian Bureau of Statistics (ABS) does release monthly estimates of international Short Term Visitor Arrivals (STVA) which are based on a survey of Incoming Passenger Cards collected by the Department of Immigration and Ethnic Affairs (DIEA). Whilst this information is released monthly, it is considered, by the industry as a whole, to be an under-estimate of visitor arrivals to Western Australia and relatively inaccurate at the State level.

However, the only way to answer this question is to resort to using the STVA information. Please note that the WATC has implemented a policy whereby the ABS' international STVA information is not released nor supported as accurate estimates of visitor arrivals to Western Australia.

- (1) No. According to information released by the Australian Bureau of Statistics, international monthly short term visitor arrivals to Western Australia have been consistently up as per the table below.

	1997	1996	% Change
March	36000	31000	15%
April	33000	32000	2%
May	25000	23000	11%
June	currently not available	27000	na
July	currently not available	29000	na

Source: Australian Bureau of Statistics (STVA)

(2)	(a)	No.		
			1997	1996
		March	18000	17000
		April	19000	19000
		May	17000	15000
		June	currently not available	19000
		July	currently not available	18000

Source: Australian Bureau of Statistics (STVA)

(b) In general no, however in April 1997, visitors from South East Asia decreased 2% on April 1996.

	1997	1996
March	13000	12000
April	15000	15000
May	14000	13000
June	currently not available	16354
July	currently not available	12593

Source: Australian Bureau of Statistics (STVA)

(3) Again, there has not been a decline, rather the figures have generally shown a positive increase over last year's results.

(a)	Asia:	
	Month	% Change on previous year
	March	9%
	April	2%
	May	8%
	June	na
	July	na

Source: Australian Bureau of Statistics (STVA)

(b)	South East Asia:	
	Month	% Change on previous year
	March	5%
	April	-2%
	May	6%
	June	na
	July	na

Source: Australian Bureau of Statistics (STVA)

- (4) Yes, in addition to numerous initiatives in these markets, the Government has in 1997 mounted Western Australia's largest ever campaign - Brand WA - in the international market place.
- (5) The Brand WA campaign incorporates both brand image (destinational) advertising and tactical advertising featuring price and product in cooperation with its strategic marketing partners in the source markets.
- (6) The campaign commenced in Kuala Lumpur in April, in Singapore and Jakarta in July and London in September.
- (7) The campaign is operating or has operated in Malaysia, Singapore, Indonesia and the United Kingdom.
- (8) The estimated expenditure per market is:
- |                |  |
|----------------|--|
| Malaysia       | \$ 270 000   |
| Singapore      | \$ 680 000   |
| Indonesia      | \$ 650 000   |
| United Kingdom | \$1 500 000 (majority will be spent prior to 30 September 1997). |

On top of this expenditure, further funds have been spent on the production of the television commercials as earlier addressed. It is difficult to apportion accurate costs to each market as all the filming for all markets was done in the same shoot for reasons of cost effectiveness.



SCHOOLS - COLLEGE ROW

*Therapy Services - Funding*

1847. Mr RIPPER to the Minister for Health:

- (1) Will the Minister guarantee that the Health Department will maintain sufficient funding to the College Row School in Bunbury for it to provide three hours of therapy services each week?
- (2) Will the Minister consider an increase in the level of funding to this school so that it can provide a more adequate level of therapy services to its students?

Mr PRINCE replied:

- (1)-(2) The contract for 1997/98 is to provide the same level of service as 1996/97. The 1996/97 contract was for 4.5 hours per week for a total of \$6,000 p.a. The budget for 1997/98 is for the same amount of service provision. The Health Department of Western Australia is not in a position to increase funding this financial year.

The Disability Services Commission (DSC) provides additional occupational therapy and speech pathology services on a referral basis to support the primary therapy services funded by the DSC.

COMPUTERS - GOVERNMENT CONTRACTS

*Confidentiality*

1857. Dr GALLOP to the Minister for Public Sector Management:

I refer to answer to question on notice 1273 of 1997 in which the Minister said that the contract for the provision of computing services "does not absolve agencies from responsibility for protection of privacy and confidentiality", and ask -

- (a) do individuals have any rights or remedies available to them if the contractor, its employees or sub-contractors, has improperly disclosed their personal or confidential information to a third party;
- (b) if so, what are these rights or remedies;
- (c) are there any restrictions placed on the contractor, its employees and sub-contractors, from accessing individuals' personal or confidential information without authority;
- (d) if so, what are these restrictions;
- (e) do individuals have any rights or remedies available to them if the contractor, its employees or sub-contractors, has improperly accessed individuals' personal or confidential information;
- (f) if so, what are these rights or remedies?

Mr COURT replied:

- (a),(e) Under the Government's "Customer Focus" policies, individuals have the right to complain and seek correction of the situation through the agency concerned, and through the relevant Chief Executive. In addition, individuals may complain to the Ombudsman, and where appropriate, through the Information Commissioner. Individuals may also seek a response from the agency through contacting the relevant Minister's office, the Supply Commission, or their local member of Parliament. The responsibility for ensuring that contractors maintain the confidentiality of confidential information in their custody or control lies with the public sector agency concerned, through the terms and conditions of the contract.
- (b),(f) The rights are those of: being informed of what information is held about the individual, being able to seek correction of errors of fact in information held about the individual, having privacy respected. Remedies are various, dependent on the specific nature of any breach and the terms and conditions of contract applicable to that breach.
- (c),(d) The proposed contract will provide the agencies with the right to approve the personnel the contractor uses who will have access to, or be responsible for the physical custody of, confidential information. The contract also requires the contractor to use its best endeavours to ensure that its personnel "will act, in all the circumstances, in a fit and proper manner." Unless specifically excused by the agency, the contractor is required to arrange for all its employees, agents and subcontractors to execute a Deed of Confidentiality relating to the non-disclosure of confidential information. The contractor is also required to ensure that

employees or sub-contractors undertake in writing not to "access, use, disclose, or retain personal information" except as authorised, and warn them that failure to comply may be a criminal offence and lead the contractor to take disciplinary action against the employee. The Service Agreement part of the contract requires the contractor to restrict physical and logical access to all resources (including databases) as a default and then to authorise access as required and authorised.

#### COMPUTERS - GOVERNMENT CONTRACTS

##### *Confidentiality*

1858. Dr GALLOP to the Minister for Public Sector Management:

I refer to answer to question on notice 1273 of 1997 in which the Minister said that the contract for the provision of computing services "does not absolve agencies from responsibility for protection of privacy and confidentiality under the Public Sector Management Act 1994 and other relevant Acts", and ask -

- (a) what section or sections of the Public Sector Management Act 1994 is the Minister referring to as requiring agencies to protect individuals' privacy and confidentiality of information;
- (b) what are the "other relevant Acts" that are referred to by the Minister?

Mr COURT replied:

- (a) Section 9 of the Public Sector Management Act 1994 sets out the general principles of official conduct. To effectively cover the wide range of aspects of proper conduct expected of public servants by the Government, the section is broadly defined. Section 9(a) requires compliance with the provisions of other Acts governing conduct, public sector standards and codes of ethics, and any other code of conduct applicable to the public sector body or employee concerned. In this context, through the Code of Ethics published by the Public Sector Standards Commission which includes the Principle of "Respect for Persons", agencies are required to respect privacy and the confidentiality of records. Section 9(b) also says, in part, public sector bodies and employees "are to be scrupulous in the use of official information". In addition, Circular to Ministers No. 33/95 was issued to ensure agencies understand that if outsourcing of records management functions is planned by an agency, then arrangements must be made to preserve the confidentiality of the public record and maintain the accountability of the agency to ensure that is achieved. The Government is also developing new Public Records Legislation and establishing a Public Records Office which will be an independent body to ensure compliance with standards of retention and access to public records.
- (b) The Freedom of Information Act, the Library Board of Western Australia Act and the Criminal Code, are some of the other Acts relevant to protection of privacy and confidentiality.

#### COMPUTERS - GOVERNMENT CONTRACTS

##### *Confidentiality*

1859. Dr GALLOP to the Minister for Public Sector Management:

I refer to answer to question on notice 1273 of 1997 in which the Minister said that the contract for the provision of computing services "does not absolve agencies from responsibility for protection of privacy and confidentiality under the Public Sector Management Act and other relevant Acts" and ask -

- (a) will the departments or agencies that form part of the consortium be monitoring the contractor to ensure that the privacy and confidentiality of individuals' information is protected;
- (b) if so, what monitoring will be undertaken?

Mr COURT replied:

- (a) This contract operates on a basis of service delivery benchmarked against a detailed Service Level Agreements drawn up to suit the specific needs of each agency, and includes contractual clauses which require the contractor to protect confidential information. The performance of the contractor is monitored against this Service Level Agreement, and a component of the payment to the contractor is tied to achievement of satisfactory performance.
- (b) The performance of the contractor is monitored on a monthly basis and will record any failures to provide the service as specified. In addition, the contract gives the Auditor-General and the client agencies the right to examine the contractor's processes, premises and accounts.

MINISTRY OF JUSTICE - FINES

*Imprisonment for Non-payment*

1935. Mr BROWN to the Parliamentary Secretary representing the Minister for Justice:

- (1) How many people were incarcerated for the non-payment of fines during the 1996-97 financial year?
- (2) How many warrants of commitment and warrants of execution are outstanding?

Mrs van de KLASHORST replied:

The Attorney General has provided the following reply:

- (1) 362 (distinct persons) of whom 73 were also in prison for other offences. The number of beds occupied at the end of the year was 18.
- (2) When the new system came into effect there were over 100,000 warrants of commitment outstanding, since then all but 8,264 have been cleared and come under the new system. These need to be returned by the police before they can be transferred. Under the new system, from new fines and transferred warrants there are presently only 1,112 warrants of commitment with police for enforcement. There are 15,485 warrants at the Sheriff's Office awaiting execution and a further 8,084 due to be sent.

HEALTH - DONGARA

*Community Nurse*

1947. Dr GALLOP to the Minister for Health:

- (1) With regard to the access that the town of Dongara has to a community nurse, can the Minister confirm that there is no longer a full time community nurse based in Dongara?
- (2) If yes -
  - (a) why was this posting changed;
  - (b) what community nursing is now available to the residents of Dongara;
  - (c) is the Minister aware of local concerns about the reduction in services;
  - (d) does the Minister intend to review this situation?

Mr PRINCE replied:

- (1) Yes.
- (2) (a) The nurse is located in Geraldton because of the availability of accommodation there.  
(b)-(d) The arrangements for service provision at Dongara are unchanged in that Dongara is still serviced twice a week by a Community nurse who is now based in Geraldton. Therefore there is no reduction in services.

HOSPITALS - PRINCESS MARGARET HOSPITAL FOR CHILDREN

*Outpatient Appointments*

1983. Ms McHALE to the Minister for Health:

- (1) I refer to an extensive review of the process of outpatient appointments at Princess Margaret Hospital for Children and ask, who is conducting the review?
- (2) When is the review due to conclude?
- (3) What are the terms of reference of the review?
- (4) Why are fewer appointments being booked while the review is being undertaken?

Mr PRINCE replied:

- (1) Outpatient review relates to continuous quality improvement audit of orthopaedic outpatients mentioned in Ministerial correspondence of 4 August 1997. The review was undertaken by Paediatric Surgery Service Clinical Care Unit Directors in conjunction with head of Department Orthopaedic Surgery.
- (2) The review is an ongoing quality improvement process.

- (3) The terms of reference were to review the appointment scheduling process within the Orthopaedic Clinic and make changes as indicated. The situation is being monitored and further changes will be made if necessary.
- (4) Fewer appointments are being made for the early part of the clinic. The same number of appointments are being staggered more effectively throughout the whole session.

#### DRUGS - ALTERNATIVE THERAPIES

##### *Research*

1988. Ms ANWYL to the Minister for Health:

- (1) I refer to your media statement dated 31 July 1997 with respect to illicit drug use and ask which alternative drug therapies is the Minister interested in?
- (2) Which South Australian and Victorian Government proposals does the Minister consider have some merit?
- (3) Have any costings been undertaken with respect to the said proposals?
- (4) When was support given in principle to the drug therapies of LAAM, Buprenorphine and Naltrexone?
- (5) What steps have been taken to implement these drug therapies in Western Australia?
- (6) What research is being undertaken by the Minister's department with respect to alternatives?

Mr PRINCE replied:

- (1) The alternative drug therapies of interest are Buprenorphine and Naltrexone and to a lesser extent LAAM.
- (2) The South Australian and Victorian trials of Buprenorphine, Naltrexone and LAAM.
- (3) Preliminary costing only.
- (4) July 1997.
- (5)-(6) Western Australia is to participate in a National Expert Advisory Committee on illicit drugs that will coordinate research undertaken throughout Australia, evaluate the outcomes of research activities, and identify areas of deficiency with the aim of developing best practice treatment models.

#### HOSPITALS - CARDIAC SURGERY UNITS

##### *Staff*

1990. Dr CONSTABLE to the Minister for Health:

Further to your answer to question on notice 1764 of 1997, what are the details relating to nursing staff and other non-administrative medical staff?

Mr PRINCE replied:

(1)-(2) Ward -	Clinical Nurses	FTE
	Registered Nurses	5.69
	Total	16.69
ICU -	Clinical Nurses	2.94
	Registered Nurses	5.88
	Total	8.82
Operating Rooms/Theatre	Clinical Nurses	2.84
	Registered Nurses	4.06
	Enrolled Nurses	2.50
	Total	9.40

- (3) Yes.
- (4) Not all positions have been filled yet.

There are no other non-administrative medical staff.

## HOSPITALS - METROPOLITAN HEALTH SERVICE

### *Budgetary and Strategic Planning Autonomy*

2008. Dr CONSTABLE to the Minister for Health:

- (1) Under the newly formed Metropolitan Health Service, what level of autonomy will each hospital retain to make budgetary and strategic planning decisions?
- (2) Which personnel or committees within these hospitals will have this responsibility?

Mr PRINCE replied:

- (1) Each hospital will retain responsibility for day to day operational management, with the proviso that any decision of the hospital cannot be inconsistent with the decisions of the Metropolitan Health Service Board.
- (2) These decisions will be made by the hospitals Executive Council or Senior Management Group. The membership of these varies from hospital to hospital; however all include the hospital's Chief Executive Officer or General Manager; the Director of Medical Services or Director of Clinical Services; the Director of Nursing; and the Director of Corporate Services or equivalent.

## HEALTH - STRATEGIC PLAN

### *Metropolitan Area*

2009. Dr CONSTABLE to the Minister for Health:

With reference to the Minister's answer to question on notice 677 of 1997, when does the Minister expect to release for public comment a comprehensive strategic plan for health services in the Perth metropolitan area?

Mr PRINCE replied:

The Health Department of WA is currently preparing a comprehensive strategic plan for health services in the Perth metropolitan area. The development of this plan will involve extensive public comment. Public comments will be sought through advertisements in *The West Australian*. No date for public release has been scheduled as yet.

## HEALTH - MEDICAL COUNCIL

### *Membership and Role*

2010. Dr CONSTABLE to the Minister for Health:

- (1) Who are the chairman and members of the Medical Council?
- (2) What is the role of the Council and particularly, what is their role in strategic planning in the Department of Health?
- (3) What funding has been made available for the Council?

Mr PRINCE replied:

- (1) Dr Scott Blackwell and Professor David Fletcher are the joint chair of the Medical Council. The other members are:
  - Dr Katrina Alexander, Chairperson, Perth South East Division of General Practice.
  - Dr Scott Blackwell, Vice President, Australian Medical Association.
  - Dr Mike Butcher, Secretary, Rural Doctors Association of Western Australia
  - Dr Rosanna Capolingua-Host, Vice President, Australian Medical Association
  - Dr Dennis Carragher, Chairperson, Swan Hills Division of General Practice
  - Dr Vincent Caruso, Director of Pathology, Western Diagnostic Pathology
  - Dr Ralph Chapman, Chairperson, WA Rural Division Coordinating Unit
  - Miss Pia Claudius, Coordinator, Health Workforce Reform Division, Health Department of WA
  - Dr Chris Couch, General Surgeon, Rockingham/Kwinana Health Service
  - Dr Rowan Davidson, Director, Strategic Policy Development and Special Project, Mental Health Division, Health Department of Western Australia
  - Dr Geoff Dobb, Consultant, Intensive and Critical Care Medicine, Royal Perth Hospital
  - Dr Greg Down, Chairperson, Mid West Division of General Practice
  - Mr Christopher Duffy, Student, University of Western Australia
  - Dr Graham Fisher, Director of Medical Services, SW Hospital Campus, St John of God Hospital Bunbury
  - Professor David Fletcher, Clinical Director, Surgical Services, Fremantle Hospital

- Dr Neale Fong, Chief General Manager, Operations Division, Health Department of Western Australia
  - Dr Brian Hutchison, Renal Consultant, Sir Charles Gairdner Hospital
  - Dr Kathy Innes, Vice President, Rural Doctors' Association of Western Australia
  - Dr David Joske, Medical Co-Director, Department of Haematology, Sir Charles Gairdner Hospital
  - Dr Robin Kirk, Branch Councillor, Australian Medical Association
  - Professor Lou Landau, Executive Dean, Faculty of Medicine and Dentistry, University of Western Australia
  - Mr Val Lishman, Chairman, Bunbury Division of Obstetrics, Surgery and Anaesthesia
  - Dr Trevor Lord, General Practitioner
  - Professor Con Michael, Head of Department, Department of Obstetrics and Gynaecology, University of Western Australia
  - Dr David Mildenhall, President, Rural Doctors Association of Western Australia
  - Dr Timothy Pavy, Head of Department, Department of Anaesthesia, King Edward Memorial Hospital
  - Professor Michael Quinlan, Consultant Physician, St John of God Medical Clinic
  - Dr Warwick Ruse, Gastroenterologist
  - Dr David Russel-Weisz, Senior Medical Officer, East Pilbara Health Service
  - Dr Duncan Steed, Chief Executive, Fremantle Regional Division of General Practice
  - Dr Bryant Stokes, Chief Medical Officer, Clinical Services Directorate, Health Department of Western Australia
  - Dr Jane Talbot, Senior Lecturer, Department of General Practice, University of Western Australia
  - A/Professor Philip Thompson, University Department of Medicine, University of Western Australia
  - Dr Elizabeth Wylie, Radiologist, Womens Cancer Screening Service
  - Dr Andy Zorbas, Head of Department Psychiatry and Behavioural Science, Sir Charles Gairdner Hospital
- (2) The role of the Council will be to develop quality clinical reforms that will lead to more efficient and effective health care services. The Council is not an administrative body but a group of medical practitioners who have the ability to bring about change in our health care system. The Council is not involved in strategic planning or policy making issues.
- (3) Funding of the Council is yet to be determined. It will be funded from within the Health Department of WA's existing budget.

#### HOSPITALS - LAKES SITE

##### *New Hospital*

2011. Dr CONSTABLE to the Minister for Health:

- (1) Is the Department of Health considering the development of a new hospital at the "Lakes site"?
- (2) If yes to (1) above, will the new hospital replace Fremantle Hospital?
- (3) If yes to (1) above -
  - (a) has a planning committee for the new hospital been appointed and who are the members;
  - (b) what is the time frame for the planning and building of the new hospital;
  - (c) what is the likely cost of the new hospital?

Mr PRINCE replied:

- (1) Not at this time.
- (2)-(3) Not applicable.

#### HOSPITALS - BOARDS

##### *Disbanding - Working Party*

2012. Dr CONSTABLE to the Minister for Health:

- (1) Was a working party, or committee of some kind, established which led to disbanding the hospital boards of the metropolitan hospitals which have been replaced by the Metropolitan Health Services (MHS)?
- (2) When was the decision made to establish the MHS?
- (3) When did Cabinet agree to disband the boards of these hospitals and establish the MHS?
- (4) When was the announcement made to the public?

Mr PRINCE replied:

- (1) Yes.
- (2) 30 June 1997.
- (3) 30 June 1997.
- (4) 2 July 1997.

#### HEALTH - DARKAN

##### *Medical Centre - Nursing Staff*

2055. Dr GALLOP to the Minister for Health:

- (1) Is the Minister aware that the nearest medical service to the town of Darkan is 60 kilometres away?
- (2) Is the Minister also aware the Shire of West Arthur proposes to establish a specific purpose built medical room in Darkan?
- (3) Will the Minister give a commitment to provide a part time nurse to staff the Centre when its construction is completed?

Mr PRINCE replied:

- (1) The nearest medical service is Williams Medical Centre - 42 kms from Darkan.
- (2) Yes.
- (3) Currently Darkan is serviced by Silver Chain, Community and Child Health Services from Narrogin and a weekly service from Wagin.

#### HEALTH - TOM PRICE

##### *Doctor Shortage*

2056. Dr GALLOP to the Minister for Health:

- (1) Is the Minister aware of the chronic shortage of doctors in the town of Tom Price?
- (2) Will the Minister fund the appointment of a resident doctor to the hospital?
- (3) If not, what action does the Minister propose to take to resolve this problem?

Mr PRINCE replied:

- (1) I am aware that the second private General Practitioner recruited to Tom Price has recently left the practice.
- (2) No.
- (3) The vacancy in Tom Price is currently being advertised by the resident private practitioner. The WA Centre for Remote and Rural Medicine and the AMA locum service have arranged for locum support for at least six weeks in October and November, they have given priority to provide further locum support beyond this period. The WA Centre for Remote and Rural Medicine and resident doctor are also actively following up expressions of interest from a number of doctors for permanent relocation. In the interim the resident Private General Practitioner is able to cover medical emergencies.

#### DRUGS - HEROIN

##### *Deaths in the Pilbara*

2062. Dr GALLOP to the Minister for Health:

- (1) How many heroin deaths have there been in the Pilbara this year?
- (2) Does the Pilbara have a Drug Prevention Unit?
- (3) How many Alcohol and Drug Authority workers are based in the Pilbara?
- (4) Where specifically are these workers based?

Mr PRINCE replied:

- (1) There has been one heroin-related death in the Pilbara during 1997.
- (2) The Pilbara has an Alcohol and Drug Authority service, and the Public Health Unit employs an alcohol worker.
- (3) The Alcohol and Drug Authority employs 2 workers; ie, a Regional Coordinator and an Aboriginal Community Development Officer.
- (4) These workers are based in Port Hedland.

#### HOSPITALS - EXMOUTH

##### *Upgrade*

2066. Dr GALLOP to the Minister for Health:

- (1) Will the Minister confirm that the Exmouth Hospital is to be upgraded?
- (2) What will that upgrade include?
- (3) When will the upgrade commence and what is the expected completion date?

Mr PRINCE replied:

- (1) Yes.
- (2) The current scope of works for this redevelopment project includes:

Emergency Department  
Improving Birthing Facilities (Labour Delivery Room)  
Remodelling of Reception/Office/Medical Records  
Increase Outpatient/Admission/Waiting areas  
New Ambulance Entry and New Front Entrance to the Hospital

The upgrade will also include new equipment. Capital works funding is anticipated during the 1998/99 financial year to include the replacement of the hospital roof.

- (3) I have given approval for priority to be given in the redevelopment to enable safe obstetric practice to continue. The tender for the SR&E phase of this development is expected to be issued in January 1998 with construction commencing in February/March 1998 with completion by September/October 1998. Considerable work has been completed in design development, schematic design and costing for the upgrade. New equipment has already been supplied to the Exmouth Hospital as follows:

Datex cardiocap	\$20,485
Aloka SSD 500 Gynae Scanning unit	\$21,000
Two x-ray trolleys	\$12,400
2 mobile examination lights	\$ 1,320
Wall mounted diagnostic set	\$ 1,000
Wall phone	\$ 500
Transport monitor	\$33,500
Mobile x-ray table	\$ 3,850
	\$94,055

#### HOSPITALS - EXMOUTH

##### *Obstetric Services*

2067. Dr GALLOP to the Minister for Health:

- (1) Is the Minister aware of concerns about the lack of obstetric services in Exmouth?
- (2) What action will the Minister take to ensure that obstetrics is available at the Exmouth Hospital?

Mr PRINCE replied:

- (1) Yes.
- (2) The Minister has given approval for the hospital redevelopment to ensure safe practice can continue, this will be provided through the redevelopment of the facility together with the provision of new equipment (some of this equipment already supplied, see question 2066) and staff training/support to be provided.



LOCAL GOVERNMENT - RATES

*Business Properties - Change to Gross Rental Calculation*

2082. Mr McGOWAN to the Minister representing the Minister for Finance:

- (1) Did the Valuer General change the method of calculating the gross rental of business properties for rating purposes 30 June 1996?
- (2) What is the method of calculating gross rental value?
- (3) Have these changes increased the financial burden on small business?
- (4) Do major shopping centre owners transfer the rates burden to their small business tenants?
- (5) Will the Government withdraw these changes to the rating method to reduce the burden on small business?

Mr COURT replied:

The Minister for Finance has provided the following response:

- (1) No. However certain outgoings previously excluded were, based on legal advice, included in the calculation of the gross rental value.
- (2) As defined in section 4 of the Valuation of Land Act, being "the gross annual rent that the land might reasonably be expected to realise, if let on a tenancy from year to year, upon condition that the landlord were liable for rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the values of the land".
- (3) This depends on the rate in the dollar applied by local governments.
- (4) Usually.
- (5) The local governments determine what rate is applied within its area.

QUESTIONS WITHOUT NOTICE

TAXATION - AUSTRALIAN TAXATION OFFICE

*Investigation - Discretionary and Unit Trusts*

620. Dr GALLOP to the Premier:

- (1) Is the Premier aware of the recent Australian Taxation Office investigation of Australia's 100 wealthiest taxpayers, which revealed more than 2 500 entities associated with those taxpayers, including 550 discretionary trusts and 230 unit trusts?
- (2) Does the Premier agree that the taxation status of such trusts needs to be re-examined before new and regressive taxes are proposed?

Mr COURT replied:

- (1) I am not aware of the detail of that investigation. I noted the Leader of the Opposition's comments during the debate on the Appropriation Bill. He suggested that one of the ways of resolving our tax problems is to continue to crack down on tax avoidance. Since it was elected, the coalition Government has been doing just that.
- (2) I do not know the detail. I know what I have read in the Press about the misuse of trusts. If there are loopholes that allow people to avoid taxes, they should be closed.

INDUSTRIAL RELATIONS - LEGISLATION

*Advertising Campaign - Basis*

621. Mr MacLEAN to the Minister for Labour Relations:

Some notice of this question has been given. The Leader of the Opposition has claimed that the advertising campaign for the recent industrial relations reforms is based on political ideology. What is the basis of the advertising?

**Mr KIERATH replied:**

I will explain to the House the precise nature of the content of the advertisements. The Department of Productivity and Labour Relations and crown counsel went to inordinate lengths to ensure that the wording was precise and that objective was obviously -

Several members interjected.

Mr KIERATH: It is interesting. They have been advertised publicly. One does not need to be very bright; one can simply go to the television station and get a copy.

Several members interjected.

Mr KIERATH: The advertisements were deliberately designed to explain the law to the people of this State. That is not unusual - we do it with traffic laws, drink driving laws and water restrictions. In fact, most people accept that the public needs to be informed on a range of issues. The Government refrained from running a major campaign while the legislation was in the Parliament - it could have been seen as a political exercise. Just because the legislation has been passed and the Opposition does not agree with it does not mean people should not be informed; of course they should be. The irony is that one of the reasons we need an education campaign is the exercise of dishonesty undertaken by some members opposite and some people in the trade union movement. If it were not for that exercise, an education campaign probably would not be needed.

#### HEALTH - LOWER NORTH METROPOLITAN HEALTH SERVICE

##### *Budget Cut*

**622. Mr McGINTY to the Minister for Health:**

Some notice of this question has been given. I refer to the \$3m budget cut to the North Metropolitan Health Service and the fact that Osborne Park Hospital will close 12 beds from 22 September. Will the Minister provide details of any other planned bed closures or bed closures that are being considered at Royal Perth Hospital, Sir Charles Gairdner Hospital, King Edward Memorial Hospital, Princess Margaret Hospital for Children, Fremantle Hospital and Armadale Hospital for the remainder of this financial year?

**Mr PRINCE replied:**

I thank the member for some notice of this question. Clearly this is the sort of question that I would not have been able to answer without some notice.

The first question attempts to link a \$3m budget cut to the North Metropolitan Health Service and the closure of 12 beds. There is no connection. I seek leave to table a letter from the North Metropolitan Health Service dated 8 September.

Leave granted. [See tabled paper No 668.]

Mr McGinty interjected.

Mr PRINCE: That is right, and it is exactly the information given to the member by the acting general manager yesterday when the member telephoned him.

Dr Gallop: You are the Minister for Police as well. You check all the time.

Mr PRINCE: I do not have to check. They told me that the member for Fremantle had rung - as he is entitled to do - and asked questions and was given truthful answers. He has asked the question again in this House, and I am providing the same answer.

As with most hospitals in this State, Osborne Park Hospital is being affected by nursing shortages. Nursing management at the hospital have not been able to recruit replacement or agency nursing staff to fill current vacancies. The management confirms that as at 22 September, there will not be enough nursing staff to ensure safe patient care. To maintain that care, the hospital management is proposing to close some of the hospital's acute beds. Steps have been taken to minimise the extent of the closures. The letter just tabled outlines how that is to be done. It points out that 12 beds will be closed for not more than one month while other initiatives are put in place. The whole question of nursing shortages is taxing me and many others at the moment, because it is very difficult to address in the short term, other than by seeking to recruit elsewhere. There are 1 083 registered nurses at present not working as nurses in this State. I have discussed this matter with the Chamber of Commerce and Industry, because it has raised the problem in the private arena as well as in the public arena. We had a very interesting meeting about two weeks ago.

Ms MacTiernan: Have you discussed it with the Australian Nurses Federation?

Mr PRINCE: I have discussed the general lack of nurses, training programs and so on informally with the ANF. I have also spoken at some length with the chief nurse, whom I respect greatly for her knowledge, expertise and background in this area. She tells me that, among other things, in the late 1980s and early 1990s many qualified nurses were working, presumably because of family circumstances. As economic circumstances improved, many women - because nurses are still predominantly women - pulled out of the work force.

Mr McGinty interjected.

Mr PRINCE: The member can argue all he likes about wage rates and so on, but 1 100 nurses are choosing not to work.

Ms MacTiernan: Is that what the ANF said?

Mr PRINCE: No, it accepts that there are problems not related to wages.

Mr McGinty: You have cut hospital budgets; that is the problem.

Mr PRINCE: No, it is not. The letter I have just tabled from the acting general manager of the North Metropolitan Health Service points out clearly that there is a nursing shortage and that it has nothing to do with the budget.

In respect of the plans to close beds, as I said yesterday, the Metropolitan Health Service board is a forum in which all hospitals in the metropolitan area -

Several members interjected.

The SPEAKER: Order! Perhaps Minister will start bringing his answer to a close.

Mr PRINCE: - can get together and sort out the best allocation of resources for the entire metropolitan area. It has not advised me of any intention to close beds in one place, open beds in another or to move things around.

Mr McGinty: Do you inquire?

Mr PRINCE: No, but I expect that the board will look at and debate that subject. It is now the middle of September and the board was announced at the beginning of July. It will debate the issue and I have no doubt that it will present recommendations to me, but it has not as yet. As soon as it does, I undertake to tell the Parliament what is recommended and what action will be taken.

*Parliament House - Visitors and Guests*

The SPEAKER: Before I call for the next question, I draw the attention of members to the presence in the Speaker's Gallery of members of the Queensland Parliament - Anna Bligh, Jim Fouras, Linda Lavarch, Darryl Briskey and Terry Sullivan. I invite members to show their welcome.

[Applause.]

**LOCAL GOVERNMENT - GELORUP QUARRIES**

*Licence Conditions*

**623. Mr BARRON-SULLIVAN to the Minister for Local Government:**

I refer to the application by CSR Readymix Quarries for an extractive industries licence to operate its quarry at Gelorup, and ask -

- (1) Considering the vital importance of establishing appropriate conditions for this licence, as they may form the basis of conditions for a new quarry to be established in Gelorup, will the Minister allow the local community and the Capel Shire Council to comment on the final draft of the licence conditions before he approves them?

Dr Gallop: Have you bought any show bags lately?

Mr BARRON-SULLIVAN: Your opposition spokesman embarrassed my constituent.

The SPEAKER: Order! The member should continue with his question.

Mr BARRON-SULLIVAN: If I can ignore that ridiculous distraction -

- (2) Most importantly, will the Minister ensure that the final conditions include provision for a regular review,

no less frequently than every three years, thereby enabling the licence conditions to be amended in the future to ensure the adoption of any new technologies or advanced blasting techniques which have the capacity to reduce the impact of quarry blasting on nearby Gelorup residents?

Several members interjected.

Mr BARRON-SULLIVAN: This is a very important issue for my constituents.

The SPEAKER: Order!

Several members interjected.

The SPEAKER: Order! The member for Bassendean knows the rules under standing orders when the Speaker is on his feet. The member for Mitchell has the opportunity to obtain assistance when framing questions, and they should not contain the arguments he has just presented.

**Mr OMODEI replied:**

- (1) I had intended to say yes. As the member said, this is a very important issue in his electorate. The Shire of Capel has had considerable involvement in setting the licensing conditions through a process negotiated by the Department of Local Government. In addition, I have attended a public meeting in Gelorup with representatives from the Shire of Capel, CSR Readymix and the community to discuss the conditions.
- (2) Annual review of terms and conditions have been included in the final conditions in accordance with local government bylaws.

#### HEALTH - DENTAL

##### *Rockingham Clinic - Waiting List*

**624. Mr McGOWAN to the Minister for Health:**

I refer to the fact that the Rockingham dental clinic has the longest waiting list in the State, with more than 2 500 people waiting an average of 22 months for their procedure. As the Government has just built four new surgeries at Rockingham, why is it providing only one new dentist to staff them and why has it no intention of providing more staff?

**Mr PRINCE replied:**

As the member is aware, a new clinic is under construction and is almost completed.

Mr McGowan: It is completed.

Mr PRINCE: It has four chairs which is a considerable advance on what was there previously. I expect that to have a significant effect on not only the number of people on the waiting list but also the time they must wait for treatment. Of course, people requiring emergency treatment do not have to wait, and never have.

With regard to employing more dentists, I recognise that Rockingham has a considerable problem with that number of patients on its waiting list for that length of time. That is being looked into at the moment, because there should be more dental people available to staff that clinic to reduce the number of names on the waiting list and the length of waiting time.

Mr McGowan: Will you get more dentists?

Mr PRINCE: It is being looked into at the moment. As soon as I can advise the member whether that can be done, I will do so.

#### CORRUPTION - ANTI-CORRUPTION COMMISSION

##### *Police - Investigations by Colleagues*

**625. Mr BLOFFWITCH to the Premier:**

Is the Anti-Corruption Commission using Western Australian police officers to investigate allegations of corruption against police?

**Mr COURT replied:**

Yesterday the Leader of the Opposition asked a similar question. I said at the time I thought one of the purposes of the joint committee of both Houses was that, because the Anti-Corruption Commission reports directly to the

Parliament, this committee is able to look at the work done by the ACC, although not the operational matters. I thought that was appropriate. I sought advice yesterday on this matter. On 10 June 1997 I advised the House that the ACC has employed one former Western Australia Police Service officer but that since working for the WA Police Service, he had worked for the Wood royal commission and the fraud unit of a prominent accounting firm in its forensic accounting division investigating public and private sector matters.

On 16 June 1997 the ACC announced the appointment of Mr Geoffrey Miller, QC as a special investigator into alleged drug related police corruption. The matter being examined by the special investigator required considerable support from the investigating team the ACC had in place at the time. This has led to a need to establish a separate unit of investigators to deal with the ACC's new area of jurisdiction; namely, serious improper conduct. The ACC has advised that it has now recruited five further investigators. I am advised that one officer was with the Western Australia Police Service. However, this officer will initially work exclusively investigating allegations against public officers other than police. The ACC has advised that there are no present plans for this officer to be involved in investigating police.

The ACC is fully aware of statements by Justice Wood and others, and its policy is not to use serving officers or officers recently recruited directly from the WA Police Service to conduct investigations of allegations against police. It should be noted, however, that the ACC's powers expressly include a power to require a public sector employer, including the Commissioner of Police, to investigate allegations subject to oversight by the ACC. As members are aware, the Act requires all allegations of corruption and criminal conduct to be notified by principal public officers to the ACC immediately. In the majority of cases these matters are already under investigation by the employing authority or have been referred to the police. It is for the ACC to determine those matters that require the use of its independent officers to investigate, and those matters that can remain - in part or in full - with the employing authority or the police for investigation.

The ACC also anticipates that it will require more than 60 staff, as well as sophisticated surveillance equipment, by the end of this financial year. Accordingly, the Government has approved an increase of \$3m in funding to the ACC, bringing its base budget to \$5m this financial year. It has also indicated that any further requests will be properly considered.

I place these facts on the record and if there are any concerns, it is important to note that lines of communication have been established between the Leader of the Opposition and the ACC and the joint committee and the ACC. I wanted to read the advice I have received on what the ACC is currently doing, and I have every confidence that it is working competently and professionally, and will be much more successful if it has the full support of this Parliament.

#### MAIN ROADS WESTERN AUSTRALIA - STAFF

##### *Reduction in Number*

#### **626. Ms MacTIERNAN to the Minister representing the Minister for Transport:**

- (1) Is the new Commissioner of Main Roads Western Australia, Ross Drabble, proposing to slash between 800 and 1 000 jobs from the department's current work force of 1 500, which is well in excess of the recommended job cuts in the Government's Kelly report?
- (2) Has the Minister for Transport given his approval to this reduction in staff?

#### **Mr OMODEI replied:**

I thank the member for some notice of this question. The Minister for Transport has supplied the following response.

- (1)-(2) An organisation should not be judged by the number of people it employs, but rather by service delivery to its customers. Mr Drabble commenced in the position of Acting Commissioner of Main Roads on 1 September 1997. Since that time he has been meeting with his senior officers to discuss the future direction of the organisation. Part of that will involve the redefinition of the Best Roads Blueprint, the planning document which was put in place in December 1995. I assure the member that any decisions made will be aimed at maximising Main Roads' allocation of resources to the delivery and maintenance of road networks for the benefit of all Western Australians.

#### SCHOOLS - HIGH

##### *Churchlands Senior - Fire*

#### **627. Dr CONSTABLE to the Minister for Education:**

I refer to the devastating fire at Churchlands Senior High School on 26 May this year, and ask -

- (1) When is work expected to begin on rebuilding the damaged sections of the school?
- (2) What is the estimated cost of the rebuilding program?
- (3) Will the \$1.5m allocated to the school in the 1996-97 budget for capital works remain intact?
- (4) When does the Minister expect the rebuilding to be completed?

**Mr BARNETT replied:**

I thank the member for Churchlands for the question and for her support of the school community.

The fire in May, as everyone knows, caused widespread damage to the school. The Department of Construction and Management Services has assessed the damage and done an excellent job. Fortunately, the buildings are still structurally sound and can be refurbished. The Government has just approved \$3.99m for that purpose and, through CAMS, architects should be appointed by the end of this month. The other \$1.5m, which was allocated in the budget for other capital works in the school, will be spent in conjunction with the \$3.99m. Following consultation with the school community, I hope that work will get under way well before the end of this year and that the school rebuilding will be concluded around the middle of next year. Again, that depends on contracts being let and timeliness.

I take this opportunity to acknowledge the great support the school has received from the Parents and Citizens Association and the wider community. Some \$80 000 has been raised and a lot of support has been given in financial terms and in kind from government and non-government schools in the area. It is a great example of the community working to overcome what was a tragedy.

## ROADS - CONSTRUCTION PROJECTS

### *Size and Cost*

**628. Mr MASTERS to the Minister representing the Minister for Transport:**

Recognising that the media criticism of the Minister for Transport's hopes to raise additional money for road funding, what is the size and cost of road construction projects in the 2.5 million square kilometres of Western Australia and, in particular, in the Vasse electorate where approximately 400 000 Perth residents holiday every summer school holidays?

**Mr OMODEI replied:**

I thank the member for some notice of this question. The Minister for Transport has provided the following response.

Twenty-three projects which amount to \$800m have been identified, in addition to the existing \$1b road program. I will supply the member for Vasse with the whole list. They include significant projects such as the Tonkin-Albany Highway to Mundijong Road project at a cost of \$110m; extensions to the freeway which will amount to millions of dollars; the Kwinana Freeway bus lane extension; the Goldfields Highway extension from Wiluna to Meekatharra and Lake Raeside, at a cost of \$77m; as well as many others.

The benefits flowing to the community from this package have been estimated at over seven times the cost of their construction, but they will not be realised due to the recent High Court decision over the rights of the States to raise revenue from tobacco, alcohol products and petroleum.

The identification and securing of funding for these projects will also have meant that other works, such as the widening and construction of passing lanes on Bussell Highway, which the member for Vasse is most interested in, particularly between Vasse and Margaret River, at a cost of \$9m, could be brought forward from its current indefinite time frame, which was 2003 or 2004, and the possible advancement of the Bussell Highway bypass. There are also problems with that which stem from the High Court challenge. Nonetheless, there were 23 projects worth \$800m.

## RAILWAYS - MANDURAH-PERTH

### *Route*

**629. Mr THOMAS to the to the Minister representing the Minister for Transport:**

I refer to the Government's absurd third proposal to extend the metropolitan rail network south to Mandurah and Rockingham via Kenwick and ask -

- (1) Is the Minister aware that the Fremantle, East Fremantle, Cockburn and Kwinana councils have all attacked the proposed route because it ignores the southern corridor's major population centres?

- (2) Does the Minister acknowledge that the concerns of these councils and others expressed at a meeting on 2 September are valid?
- (3) Will the Minister instruct the committee appointed to develop a master plan for the route to consider formally alternative routes, including the coastal route from Fremantle, as part of its deliberations?

**Mr OMODEI replied:**

I thank the member for some notice of this question. The Minister for Transport has supplied the following response

- (1) The route provides good access not only to the established major regional centres of Mandurah and Rockingham, but also to Kwinana and the newly emerging centre at Thomsons Lake.
- (2) Transport officers have over the past three weeks engaged in discussion and liaison with the majority of the councils along the route and with the planning and executive arm of the south west groups.
- (3) The coastal route does not provide for access to Thomsons Lake or Kwinana. The management structure of the master plan formally includes a process for direct input by all councils along the route and also the Peel Development Commission and south west routes.

**CRIME - PREVENTION**

*PC Cops System*

**630. Mrs HOLMES to the Minister for Police:**

As I stated in this place on Thursday, 29 May, it was my pleasure to attend the launch of a new crime prevention initiative called PC Cops. Now that this computer operated communication system has been handed over to the police, will the Minister advise -

- (1) What benefits the community will be accorded through this new system of crime prevention?
- (2) How does he expect the system to develop after its initial trials in the City of Armadale?
- (3) When does he expect its application to be broadened to include other areas where community crime is also a real problem?

**Mr DAY replied:**

I thank the member for some notice of this question and the opportunity to advise the House of how the Police Service is again leading the nation in policing initiatives and, in particular, in building stronger links with the community of Western Australia.

The PC Cops system is a revolutionary communications system consisting of a dialling facility from which members of the public are able to obtain important information from the Police Service on matters including crime statistics, crime prevention tips and local information from the local police station.

Dr Gallop: Are you connected up to it?

Mr DAY: Not as yet, but we can arrange it for the Leader of the Opposition if he would like.

The system can also be utilised by local councils, St John Ambulance, the Bush Fires Board, the Fire and Rescue Service, the State Emergency Service and the Federation of Police and Citizens Youth Clubs.

The computer program also has an emergency dial-out facility, which allows police to notify members of the public of any life threatening incident or any other appropriate event of importance in a very short space of time via the telephone network. Notification can be to homes in an individual street or a larger area.

The savings to the Police Service in being able to mobilise large numbers of staff and equipment are significant and the time factor is of enormous benefit to the public, which is often uninformed in times of crisis.

The PC Cops system was developed in the Armadale area and has won national acclaim and a funding grant of \$100 000 from the National Campaign Against Violence and Crime which will be used to extend the system to the rest of the State by 30 June 1998. The funding will also be used to evaluate the possibility of extending the system on a national level.

This system is a credit to the Police Service and the community working together to make our State a safer and more secure place in which to live, and I congratulate all those who have been involved in its development.

## HOUSING - GOOD START SCHEME

*Number of Applications***631. Ms MacTIERNAN to the Minister for Housing:**

- (1) How many applications for loans have been received under the Good Start scheme?
- (2) How many of these have been assessed as qualifying for assistance?
- (3) Has a direction been issued to redesign the scheme in order to make it work?

**Dr HAMES replied:**

I thank the member for the question and for some notice of it.

- (1) In total, 2 137 people have applied for the Good Start scheme, remembering that we have budgeted this year for 1 000 loans.
- (2) In relation to those qualifying for assistance, that assessment has not yet been completed.

Ms MacTiernan: That is not true.

Dr HAMES: It is true.

Mr Ripper: None has qualified!

Dr HAMES: It is certainly not true that none has qualified. I will be happy to provide an answer if the member places the question on notice or asks it when that assessment is completed. We have 2 137 people who have applied, which is an excellent number.

- (3) Definitely not, and I am still waiting for information from the member for Armadale.

## HOUSING - GOOD START SCHEME

*Qualifying Applications***632. Ms MacTIERNAN to the Minister for Housing:**

As a supplementary question, have any of the 2 137 people who have applied for Keystart loans actually been assessed as qualified?

**Dr HAMES replied:**

Yes.

## HEALTH - BLOOD BANK

*Collection of Umbilical Cord Fluid***633. Mrs HODSON-THOMAS to the Minister for Health:**

An article which appeared in the *Sunday Times* dated 9 September 1996 proposed that a new Perth blood bank would be established to collect fluid from umbilical cords for the treatment of such diseases as leukemia and types of anaemia.

- (1) Is the Minister planning to introduce this facility in Western Australia?
- (2) If yes, when will this introduction take place?
- (3) Is funding available to assist in the establishment of such an agency?

**Mr PRINCE replied:**

- (1)-(3) The therapeutic qualities of umbilical cord blood are well known and researched. Last year a meeting was held in Sydney on this matter to which Western Australia sent a number of experts from the Blood Bank and elsewhere in the health system. This resulted in an extensive inquiry and investigation into the concept of an umbilical blood bank for Australia. It seems that given the size of the population of this country, one such bank might be the best approach rather than having a number of, by necessity, small blood banks spread around Australia.



Professor Vowles, the director of the first and only umbilical cord blood bank in Sydney, has been preparing a report on what would be the best format for the collection and dissemination of the product around the continent of Australia. That report unfortunately is not yet to hand, but it is expected soon. When it is received, we will know whether it is a good proposition to have a branch of that bank in Western Australia. In other words, the matter is currently being considered by experts in the area, and no decision has been made about whether a blood bank of that nature should be established in Perth.

DEPARTMENT OF PRODUCTIVITY AND LABOUR RELATIONS - INDEMNITY

*Legal Position*

**634. Mr KOBELKE to the Minister for Labour Relations:**

Was Ms Jan Cooper or any other senior officer at the Department of Productivity and Labour Relations advised by the Crown Law Department that there were legal doubts about her capacity to provide the indemnity dated 29 April 1997 which she signed?

**Mr KIERATH replied:**

For about the fourteenth time - as I read out the answer last night, earlier this morning and again now - the advice I received from the Department of Productivity and Labour Relations was that Crown Law advised that there was no liability. Sorry.

Mr Kobelke: That was not the question. Was there any doubt about the legal capacity of that officer to provide such an indemnity?

Mr KIERATH: Not that I am aware of; as I said in answer to the question this morning, I will check it out.

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