WESTERN AUSTRALIA

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Thursday, 16 September 1999

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THE DEPUTY SPEAKER (Mr Bloffwitch) took the Chair at 9.00 am, and read prayers.

WESTERN AUSTRALIAN FOOD AND BEVERAGE TRADE MISSION

Statement by Premier

MR COURT (Nedlands - Premier) [9.02 am]: Later today I will leave Perth as part of a trade mission that will participate in the most important Western Australian food and beverage promotion ever held in the United Kingdom. The "Western Australia - Land of Plenty" promotion will involve more than 50 local food and beverage companies showcasing their products at the prestigious Selfridges stores in London and Manchester. The size and significance of the event is highlighted by the fact that Selfridges has ordered an estimated 20 tonnes of Western Australian food and beverages for the promotion. A separate trade exhibition will also be held at Australia House in London. The Selfridges events will target consumers while the trade exhibition will focus on buyers and investors. More than 30 company representatives will travel to the UK to support the events.

Our State has a growing reputation for providing quality agricultural, fisheries and food products worldwide. However, we must keep up the momentum and increase Western Australia's presence in large markets such as the United Kingdom. The "supply chain" to the United Kingdom and Europe is now well established in both air and sea capacity. We must do more to capitalise on this and make the most of improved technology in areas such as controlled environments that allow more effective transportation of fresh produce. Western Australia currently exports $22m in food and beverage products to the United Kingdom - not including wheat - with the key areas being meat, wine, fruit and vegetables. Western Australian products such as wines, seafood, native game meats, ice cream, biscuits and beer will be available in the "Land of Plenty" promotion. Selfridges' customers will have a unique opportunity to sample a range of quality products that are not regularly available. All products available for sampling meet Selfridges' high quality requirements. The promotion will run between 22 September and 3 October. It also involves the use of Western Australian produce in all of Selfridges' 19 in-store restaurants and food and drink outlets.

In addition to the Selfridges promotion I will open a trade display at Australia House which will be attended by about 300 business decision makers or buyers. I will be giving them the message that Western Australia has much to offer as an exporter of food and beverage products. We have a strong diversified production base, a proven reputation as a supplier of safe, quality food, no major pollution problems, opposite seasons to the United Kingdom, a demonstrated ability to respond to market requirements and fast and efficient transport links to world markets.

During my visit to the United Kingdom and Europe, I will also participate in a business migration seminar attended by up to 150 British business representatives. The push to get Western Australian liquefied natural gas into the Chinese market will form the basis of talks with Shell Co Pty Ltd, and BP Amoco. While in Manchester for the "Land of Plenty" promotion, I will also hold discussions with the Granada Ltd entertainment company. Earlier this year the company announced a partnership agreement with ScreenWest Inc to identify, develop and fund film and television projects in Western Australia. In Germany, I will meet with companies interested in the development of the steel industry in Western Australia. Members may also be interested to know that on my way to the United Kingdom, I will stop off in Dubai for talks with Emirates Airlines about the carrier beginning flights to Perth.

EAST TIMOR, CRISIS

Statement by Premier

MR COURT (Nedlands - Premier) [9.05 am]: The tragedy of the current situation in East Timor is a cause of concern to many Western Australians and people throughout the nation. In response to the crisis, the Federal Government has mounted an urgent humanitarian relief effort which has seen more than 1 500 East Timorese people evacuated to Darwin.

Since the evacuation the Federal Minister for Immigration, Phillip Ruddock, has advised me that as part of the Commonwealth's relief effort, temporary sanctuary for approximately 400 evacuees is planned for the Leeuwin Army Barracks at East Fremantle. The East Timorese evacuated from the United Nations compound in Dili earlier this week are currently in Darwin undergoing immigration clearance, health screening and customs checks. They have been admitted to Australia under three month, safe haven visas. I understand the majority of the people to be accommodated at Leeuwin Barracks are women and children who have left behind their husbands, sons or fathers. In many cases, these people had to flee their homes and have been isolated from their families and friends. Many have witnessed acts of violence against their loved ones and community leaders. It is anticipated that the first group of evacuees will be transferred from Darwin to Leeuwin Barracks and Puckapunyal in Victoria early next week.

Members would be aware that this is not the first time Western Australia has played a role in relief efforts of this kind. In recent times the Australian Defence Force facilities at Leeuwin Barracks have served as a safe haven for refugees from Kosovo. The Federal Government has advised me that the 126 Kosovars remaining at Leeuwin Barracks will be transferred to facilities at Brighton, Tasmania. No doubt many of the Kosovars who have forged friendships in Western Australia will be sad to leave our State. However, I am sure they will have fond memories of the time they spent here.

Over the next few days, the Commonwealth Department of Immigration and Multicultural Affairs and the Australian Defence Force will be preparing for the arrival of the East Timorese refugees at Leeuwin Barracks. Arrangements are being put in

place at a State level by Family and Children's Services, the Western Australia Police Service and the Ministry of Citizenship and Multicultural Interests. The State will play a supporting role by providing a range of services including health care, education and professional trauma counselling. The East Timorese community in Perth will be invited to work closely with state agencies to advise on the best way to address the needs of the evacuees.

I reiterate the Western Australian Government's willingness to assist the Commonwealth in providing humanitarian aid to the East Timorese. The temporary safe haven at the Leeuwin Barracks for up to 400 evacuees is a practical and tangible way of providing that assistance. However, I am sure the support from the Western Australian community will extend far beyond this. I have no doubt that Western Australians will take this opportunity to extend the hand of friendship to the people of East Timor by making them feel welcome in our State and providing every assistance they can to help these people overcome the difficult issues confronting them.

KARRATHA-TOM PRICE ROAD

Grievance

MR RIEBELING (Burrup) [9.09 am]: My grievance is addressed to the minister representing the Minister for Transport. This grievance emanates from the last campaign for my seat in the Pilbara region. Some two weeks before the last election, the then Minister for Transport announced on the radio that a road would be constructed between Karratha and Tom Price in this term of Government. That was a major positive announcement because not only the candidate but also the Minister for Transport was saying that this road had been funded and it would be built within four years of the election. Members can imagine the disappointment felt by the people of the towns of Tom Price and Paraburdoo since the election as they now know that the Government had no intention of building the road in that time and it has backed away from that promise at a million miles an hour. This promise relates to a road which is still urgently needed in the Pilbara region. I recently conducted a survey of people in Tom Price to determine whether the Government was on the ball in saying that the population no longer wanted the road so I should stop pushing for it. Over 400 people responded to that survey, 95 per cent of whom said the road was the major issue for the town of Tom Price. I realised that once again the Government had deliberately misled the people and had no intention of honouring its commitment.

Since the election, a 10-year plan for the construction of roads in Western Australia has been released. It said that construction of the Tom Price-Karratha road would commence in 2004 - it can be a promise for the next election - and would be completed two years later. However, a different stance was adopted 18 months ago when the Government said the construction start date would not be 2004 but would be 2007. The Government will be able to guarantee this road for the next two elections! I want the minister representing the Minister for Transport to put on the record as clearly as possible whether the Government means that it will begin construction in 2008. A constituent received a letter from the Minister for Transport which indicated that the construction of this road will commence in 2008-09. We have gone from a commitment to finishing this road by 2000 - as indicated by the previous Minister for Transport - to construction beginning in 2008-09. In this place, that is the Government's code for "We are not interested in doing it". A letter the Minister for Transport sent to a constituent in Tom Price includes a summary of how much money is received through the fuel tax and how much is being directed to the States by the Commonwealth. Approximately $250.3m goes into the transport trust fund and that is how much is spent on road funding.

Another interesting point raised in the letter which I hope the minister can clarify is that, despite the commitment to regional Western Australia - where the vast majority of roads are - the majority of this funding no longer goes to country Western Australia. In fact, the majority of that fund is now spent in metropolitan Perth. One might ask why that is so when the vast majority of roads in need of repair or construction are in country areas. The last paragraph of the letter refers to the majority of money being spent in regional areas and states -

> While this is not the case in the current financial year due to major infrastructure projects under construction in the metropolitan area, it will be the case over the course of Main Roads' ten year program.

The Government is telling people in regional Western Australia that it needs to build tunnels and other infrastructure such as a second Narrows Bridge and the people in the bush can wait for their roads. It is suggesting that, even though it knows roads are important, country people can wait and in 10 years' time, it will all even itself out! The people of regional Western Australia are sick and tired of this Government making promises which acknowledge the problems in regional Western Australia yet giving all the funding to projects in Perth. The people in regional Western Australia will not accept any longer the Government saying it will build something in four years and then finding out that it really meant it will build it in 13 years. No-one believes this Government about this Tom Price-Karratha road. The minister should stand up and tell the House what the Government's commitment is to the Tom Price-Karratha road. If it is as is stated in this letter, I will be circulating that reply to every person in Tom Price and Paraburdoo to show the Government's real commitment to this worthwhile project.

MR OMODEI (Warren-Blackwood - Minister for Local Government) [9.16 am]: I thank the member for Burrup for the grievance. It is not true that the Government has been deliberately misleading the people, as the member said. From time to time -

Mr Riebeling interjected.

Mr OMODEI: Does the member want me to respond to this grievance?

Mr Riebeling interjected.

Mr OMODEI: I was about to explain that. As the member well knows, road programs change from time to time. Priorities

have been changed on major highways in my electorate. The Muirs Highway, the major west-east link for traffic in the south west, has been deferred on four or five occasions. I have done exactly what the member for Burrup has done; I have made representations to the minister seeking the completion of the project.

I believe I responded to the member in a similar grievance on 27 August 1997. I recall that, in that response, I said that project was prioritised to begin in 2000. When the Roads 2020 study was published in 1997, the proposed link from Karratha to Tom Price was given a priority A rating. Therefore, the member was right when he said that the project was given a high rating. The document gave priority A support to a study to identify the preferred route corridor for the construction of a sealed road between the North West Coast Highway near Karratha and Tom Price.

The 1997 road program issued by the former Minister for Transport outlined the proposed investment in roads for the next 10 years and identified the Tom Price-Karratha Road route as one which could not be funded because of the lack of investment. The estimated cost was $80m at that time. Since 1997, further alignment investigations and other progressive studies have revealed a likely cost of in excess of $200m. In correspondence in 1998-99 to the chief executive officer of the Shire of Roebourne and also to Hon Mark Nevill, which I will table, the current Minister for Transport said that an allocation of $45m had been provided in the 10-year program for 1999-2007 with preconstruction activities to proceed by 1999-2000 with a view to commencing construction in 2000. At the time there was the possibility of mining companies accelerating the project by advancing funding. A staged approach was envisaged with the first section of the link running from Karratha to the Harding River Dam.

In July 1999, a review of the state road program revealed that it was necessary to defer the commencement of construction to 2008-09. The member for Burrup's information is correct. It is understood that the Pilbara Development Commission is currently completing a document to determine the benefits of the project in the broader picture of the entire Pilbara region.

Mr Riebeling: What made you falsely suggest that by the next election it would be brought forward?

Mr OMODEI: Priorities change. As the member for Burrup knows, if major projects in that locality are brought forward, the likelihood is major road projects will be brought forward with them. That is the norm. As for the member's criticisms about where the funds are spent, when the Government, on the recommendation of the former Minister for Transport, Hon Eric Charlton, increased the fuel levy on all motorists across Western Australia - I presume the same percentage is current at the moment - two-thirds of that money was being raised from city motorists, but two-thirds was being spent on country roads. I did not hear the member for Burrup praise the Government for taking money from city motorists and putting it into country roads. The truth is that when we came to government in 1993, $300m-odd was being spent on roads. In 1999, our budget for roads is $800m - a vast improvement on the Labor Party. While the Labor Party was in power, it allowed roads across Western Australia to deteriorate to a very poor condition - and the member should circulate that to his constituents. When we came to government in 1993, we had to fix the mess the Labor Party left behind. Apart from the financial mess and the huge debt, we had to raise significant moneys to improve the road system, and that has occurred. The member can travel the length and breadth of Western Australia and he will see roadworks being carried out right across the State to a far greater degree than ever occurred under a Labor Government.

ABORIGINAL EDUCATION

Grievance

MR BLOFFWITCH (Geraldton) [9.21 am]: My grievance is to the Minister for Education and deals with the changes that are taking place with the Aboriginal unit situated in Geraldton. The Aboriginal unit consists of a staff of four who work alongside the Education Department in the SGIO building. It was set up about 18 months ago when the branch of Aboriginal people that looked after education was in Perth. It was decided to give it a regional focus, with which I was very pleased, and Geraldton, having a fairly large Aboriginal population, was picked as an ideal place to locate it. It was located in Geraldton, but major problems were found with its being located in Geraldton. The problems are that it does not look after only the mid west - it is supposed to look after the entire northern section of Western Australia. Places like Port Hedland, Broome, Derby, Wyndham and anywhere which has an education facility must advise policy. If people wish to fly to those places, they must first fly to Perth and then from Perth to Broome or Derby. I well understand the logic in saying, "Why not just have them all in Perth and send them up there." Because the unit has been located in Geraldton for the past couple of years, we have realised what a valuable resource it is. The cooperation with the Aboriginal community has improved because of this unit. It is a very positive step, particularly in our larger areas and where there are larger numbers of Aboriginal people. Perhaps it does not need four staff, but it needs at least a couple of staff to advise on policy and to look at the issues that are involved with the Aboriginal community.

Mr Barnett: What sort of work do they do on a day-to-day basis?

Mr BLOFFWITCH: They coordinate the remedial teachers, and they organise programs such as involving high school kids in TAFE colleges. They were instrumental in assisting 13 Aboriginal people to do a teachers training course. To do this teachers training course, they first had to raise their academic level to one which would enable them to be accepted into university. These 13 people have just finished that grading and have reached that level and will now enter into their first year. These are the types of initiatives and courses that take place. They also gave 12 young Aboriginal chaps apprenticeships in the building industry. They were taught to be bricklayers, carpenters or glaziers. They have all finished their apprenticeships and are doing a wonderful job.

When a couple of people talk to the Education Department and listen to the issues that are involved in the Aboriginal community, it is a wonderful plus. It does a great job. I agree that they are not in a position to look after the whole State from Geraldton, but the schools of the mid west would benefit enormously with a small resource - not a big one - like this

unit that did the job which would look at it actively and promote it for its true value. I understand why the chief executive officer of the Education Department said that economically it would be better to have it in Perth. If we are looking after the rest of the State and the smaller areas, that is the ideal way to go. However, we should not lose the opportunity to put this on the ground and make the system work well in Geraldton and, because this department will be closed, allow it to dry up and allow nothing else to happen. I am sure there will still be initiatives, but these people are the catalyst who make it work. I urge the minister to look at supporting an initiative like this.

MR BARNETT (Cottesloe - Minister for Education) [9.26 am]: I thank the member for Geraldton for his grievance. I confess that I do not have direct knowledge of that unit's operation in Geraldton. By way of background, I will make a couple of introductory comments about Aboriginal education. In this State, 5.2 per cent of the total student population are Aboriginal students. They account for 6.5 per cent of government students and 4.4 per cent of non-government students. Some serious concerns have been ever present about the level of participation and achievement of Aboriginal students. Regrettably, approximately 20 per cent of Aboriginal children aged 6 to 14 years are not attending an educational institution; for example, it is estimated that 1 500 to 1 800 secondary-aged Aboriginal children in the remote areas of the State are not going to school. We all understand the reasons that that is the case. The level of achievement of Aboriginal children through the school system is also significantly below that of the population at large; for example, 37 per cent of Aboriginal students in year 10 achieved the mathematics requirements of their monitoring standards in education assessment compared with 83 per cent of non-Aboriginal children. There are substantial differences in levels of achievement. Similarly, in 1997, only eight Aboriginal children achieved a TEE score of greater than 259, which was the minimum requirement to attend Edith Cowan University, and that is disproportionately low. In 1997 only 44 Aboriginal students graduated from year 12, which represented 4.8 per cent of the original year 8 cohort. Only about 5 per cent of children entering year 8 complete year 12. The retention rate from year 8 to year 12 for Aboriginal students is about 16 per cent compared with 60 per cent for the population at large. Unfortunately, it does not matter which statistic we look at, we can not escape the conclusion that Aboriginal children are not participating in schools to the same extent - or anywhere near it - and are not succeeding. I do not say that as any criticism of Aboriginal children, their parents or those who educate them.

In terms of public expenditure in the area, in 1997-98, the Commonwealth allocated $19.8m for Aboriginal education in this State. Many people seem to assume that the Commonwealth takes the lion's share of the responsibility for Aboriginal education. Although its $19.8m is welcome, it compares to a state expenditure on Aboriginal education of $78.8m. Therefore, the State again, as in all areas of government education, is the dominant provider. Across the state education system as a whole, the State provides 90 per cent of all spending, and the Commonwealth provides about 10 per cent. A similar balance is about 80:20 in the area of Aboriginal education. I am not being critical or passing the buck, but the Commonwealth, since it has accepted constitutional responsibility for Aboriginal people, should assist more in Aboriginal education. It is extremely expensive, and a large number of isolation, location, cultural and health issues are involved.

Dealing with the situation raised by the member for Geraldton concerning the Aboriginal education unit in Geraldton, my understanding is that the staff are Education Department employees, although they work with the schools and across other sectors, such as training institutions, employers, as well as others, I imagine. As the member indicated, the decision originally to locate that unit in Geraldton obviously makes sense. It brings those people directly in close proximity with the students and the schools that are educating them. I accept what the member said about serving the wider State. There are probably extra costs and an impracticality about it. The member suggested that some of those employees - perhaps two - should remain in Geraldton to continue the work at a regional level, perhaps based out of the district office. I can see merit in having specialist staff in district offices in areas in which there are high proportions of Aboriginal children. In the areas served by the mid-west district are a number of remote schools and schools with high proportions of Aboriginal children. A school such as Morawa would probably have about 70 per cent Aboriginal children. Therefore, clearly the Pilbara and Kimberley areas have significant Aboriginal numbers, and they are areas where social, health and substance abuse problems are acute.

I undertake to examine that matter. I apologise that I do not have more direct personal knowledge of it. I certainly endorse in principle the concept of having people working close to schools in areas in which there are significant numbers of Aboriginal people. The tragedy is that the Commonwealth, through the broader social security system, spends large amounts of money on Aboriginal people, but a large part of that money is not effective in improving education and health standards and employment opportunities. I think most members of this House would agree with that, even though it is not always fashionable to say that.

The role in educating young children is critical. However, I was talking to an Aboriginal leader in the Kimberley on Monday who made the point that for several generations now we have been talking about educating the children; meanwhile, we are tending to neglect that group that has already gone through the education system, who are adults in their 20s and 30s and who did not benefit from education - they failed and did not succeed. Therefore, we should also look at some re-education or adult education for those people. There are significant issues in that area. I thank the member for the grievance, and I undertake to communicate with him directly after I have examined the issue.

WORKSAFE CODE OF CONDUCT AND DRIVER FATIGUE IN THE TRANSPORT INDUSTRY

Grievance

MS MacTIERNAN (Armadale) [9.33 am]: I raise a grievance with the Minister for Labour Relations. This concerns the complete and absolute failure of WorkSafe Western Australia to give any effect to the code of practice that purports to regulate the driving hours of truck drivers. Mr Deputy Speaker, as you are from the country, you would be well aware that Western Australia is the only State in Australia in which legally a driver can work 24 hours a day, seven days a week. The

Government has recognised that 25 per cent of all fatal truck crashes in this State are caused by fatigue. Therefore, it recognised that some action should be taken because we were lagging so badly behind national standards.

Mr Wiese: How many fatal truck crashes were there?

Ms MacTIERNAN: I do not have the figures with me at this moment, but I will get them for the member. However, 25 per cent of fatal truck crashes are caused by fatigue, and probably an even higher percentage of truck accidents - heavy haulage accidents, in particular - are caused by fatigue.

On 9 February 1998, a year and a half ago, a super-duper voluntary code of practice was introduced. It is a rather complex set of measures, all of which are fair. The principal measure fundamentally limits a driver to driving for 14 hours a day. There is some capacity to extend that by maybe an hour or two hours if it ensures that the driver gets a better quality of sleep; for example, if the driver is an hour or two away from his home base and he can actually sleep in his bed rather than sleeping in the cab of the truck.

We do not have any difficulty with the quality of the restrictions contained in that code of practice. The problem is that this code of practice has been a complete and utter sham. It has been honoured only in the breach. Indeed, a friend of mine who was a truck driver was sent by his company to the launch of this code of practice. This was one of the companies that intended to sign on to the code of practice. However, when this person got back to the yard, the drivers were immediately given rosters that were totally incompatible with that code of practice.

I will deal with a couple of examples in which this has happened again. I was contacted by a Mr Russell White, who has been in the industry for a long time. He was employed by a company called Mitchell Logistics, which operates out of Port Hedland. He told me about shifts that the drivers do day after day, which are 22 to 23-hour shifts. The drivers basically do two runs that involve them driving a minimum of 22 to 23 hours at a stretch. The first is the Port Hedland to Coobina mine site, a round trip that takes them somewhere between 20 to 24 hours. They do seven of those trips a fortnight. They also do the Port Hedland-Telfer run. Some of the drivers were taking 26 hours to do that Port Hedland-Telfer-Port Hedland run, a distance of over 1 000 kilometres, carrying largely fuel, and pressure was put on them to forgo even their three-hour rest and bring that time down to 23 hours. When complaints are made to WorkSafe, absolutely nothing of any substance happens.

Another case that was reported to me by another driver involves Centurion Transport. A few months ago there was an incident in which the third trailer, again full of fuel, rolled over. A Wesfarmers Transport Limited driver was the first person on the scene, and the Centurion driver admitted to him that the accident had occurred when he fell asleep. He had been driving for 22 hours at that time. WorkSafe were called in, and it found that the company had no fatigue management plan whatsoever. Pressure was put on the driver, who then changed his story, and all that happened to this company was that an improvement notice was issued.

I have spoken to the officers at WorkSafe - they did not know who I was - and asked them about prosecutions under the code of practice. These officers told me - they are telling anyone who rings them the same story - that it is very hard for them to prosecute; the code of practice is only a voluntary code, and to establish a breach under section 19 of the WorkSafe legislation is difficult. We have a situation now in which not only drivers' lives are being put at risk, but also the lives of the general public.

I will give another example. The Transport Workers Union of Australia has told me about a company, Kaiser Bechtel Joint Venture, which operates in Worsley. Its bus drivers have been working excessively long hours. A complaint was made to WorkSafe. WorkSafe again found that this company had no fatigue management plan. It gave the company five weeks to put a fatigue management plan in place. After five weeks, there was still no fatigue management plan. WorkSafe gave the company an extension. Two days later one of its buses collided with a car and there was a death. WorkSafe was going through the motions. It has said that it requires companies to have fatigue-management plans, but, if they do not, there is no prosecution. In the 18 to 20 months that this code of practice has been in force there has not been one prosecution. The Department of Transport said it would fund WorkSafe to establish a team of auditors to do a thorough examination of the industry. However, we know that $35m has been cut from the department's budget and it can no longer afford to fund the proposal.

We have a system in this State that allows drivers to drive for 22 and 23 hours a day on a routine basis, and I have provided the names of the companies involved. It is not acceptable.

MRS EDWARDES (Kingsley - Minister for Labour Relations) [9.41 am]: I will request the member to provide specific details of the names of the companies concerned so that I can add them to the list of industry poor performers in driver-fatigue management. The Government takes this matter very seriously, and I reject any suggestion that WorkSafe is not responding appropriately. It regards fatigue management as a major occupational health and safety issue, particularly in the transport industry in which practices often lead to long hours of work in comparison to other industries. WorkSafe has worked through a large number of the issues with many companies.

I will read to the House a letter from one of the companies to which the member referred - Centurion Transport - from Mr Steve Pike, the company's occupational health and safety manager, who is probably well known to members opposite. The letter, which is addressed to the WorkSafe Western Australia Commissioner, states -

> Re: Fatigue Management
>
> We have decided to address this letter to you as a commendation for your Officers, Messrs Stuart Hawthorn and John Innes.

> After a question of fatigue was raised in an incident involving this Company and an employee, the Department through Stuart and John have guided us through the issue.
>
> While a number of Improvement Notices have been issued we have always felt that they have been presented to assist us in the proper application of the Code, and more importantly to the principles behind the issues of fatigue and its management.
>
> We would like to congratulate the Officers on their diligence and application to the interests of Occupational Safety and Health, their efforts reflecting the objectives of legislation, to provide protection of persons at work.

Ms MacTiernan: What about the PS: And thank you for not prosecuting us for breaching the law?

Mrs EDWARDES: The issue is how we deal with the situation and implement better options. Education is very important.

Mr Marlborough interjected.

The DEPUTY SPEAKER: The member for Peel will come to order! This is not his grievance.

Mrs EDWARDES: The code of practice has been issued, along with an education program. The Government will take any action necessary to ensure that Western Australian road transport companies continue to address the issue of fatigue.

The member referred to a national program. In its response to the House of Representatives Standing Committee on Communications, Transport and the Arts, WorkSafe has recommended that a national code of practice be developed with input from the States and Territories about fatigue management for drivers of commercial vehicles.

Ms MacTiernan: The report means nothing unless you enforce it. It is good but it has no teeth.

Mrs EDWARDES: Fatigue is a complex occupational health and safety issue. Members must recognise what constitutes a normal level of fatigue. The Government has a real commitment to this issue. Fatigue in the workplace can be the result of factors inside the workplace as well as outside. We must look beyond the task of driving; we must consider the whole job. The member has raised issues, including the work undertaken before driving commences. Factors contributing to the level of driver fatigue include hours worked, the number of shifts, hours of sleep, hours of rest, trip length, time of day and driving conditions. Factors outside work that need to be considered include age, experience, health, diet, personality, coping skills and lifestyle. While the problem or the situation causing fatigue may well be outside the employer's direct control, the employer has a duty of care to manage the risk of having a fatigued employee in the workplace.

Ms MacTiernan: What about the fact that you have not prosecuted one company in 18 months, although these companies are routinely requiring their drivers to work 22 hours a day?

Mrs EDWARDES: The Government is consistently working with John Cain from the Transport Workers Union. He has been asked to provide WorkSafe with a list of industry poor performers in matters relating to driver fatigue. WorkSafe will consistently look at those issues. John Cain recently raised the issue of sleep quality for two-up drivers.

Improving driver-fatigue management is not achieved solely by pursuing prosecutions, as the member suggests. Education is a very effective tool, and improvement notices lead to change. That is what they are about - achieving a cultural change within the organisation, not only on the part of management but also at the driver level. This Government takes the issue of driver-fatigue management very seriously and it is committed to ensuring improvement. It will continue to work with the poor performers in the industry in an endeavour to get them to implement fatigue-management practices within their workplaces. This Government wants to ensure an improvement in health and safety in the workplace and it will continue to work to achieve that.

EX-NUPTIAL CHILDREN, STANDING OF GRANDPARENTS

Grievance

MR BAKER (Joondalup) [9.48 am]: My grievance is directed to the minister representing the Attorney General. It relates to the standing of grandparents to intervene in family law proceedings involving children. In this case I refer particularly to ex-nuptial children as opposed to children whose parents were married and hence are subject to the Family Law Act.

The minister is well aware that children who are subject to the Family Court Act 1997, as opposed to the Family Law Act 1975, are essentially those children who are loosely described as "ex-nuptial children". This minister is also aware that the Family Court of Western Australia is a state court exercising federal and non-federal jurisdiction. In that regard it is interesting to note the jurisdictional power of the Family Court of Western Australia, which is set out in section 36 of the Family Court Act. Subsection (2) sets out the Family Court's non-federal jurisdiction and makes reference to the jurisdiction of the court in non-federal matters throughout the State relating to parenting orders affecting a child whose parents were not married to each other at the time the child was born or subsequently. Of course, beyond that, other provisions of the Act apply in circumstances in which the grandparents of a child who is the subject of the Family Court Act wish to seek orders relating to that child, be they contact orders, residence orders or other orders of any description.

There is a view that grandparents in these cases should have an as-of-right entitlement to be joined in the proceedings at the outset, because many grandparents play an active role in the day-to-day welfare, management, supervision, care and control of such children. Beyond that it is interesting to note that the Act also sets out the principles which should be applied when a court is considering making orders affecting such children. These principles are set out in section 37 of the Act. Section 37(1)(b) refers to the need to give the widest possible protection and assistance to the family as the natural and fundamental unit of society, particularly while it is responsible for the care and education of dependent children.

Another important consideration which is set out in section 37(1)(c) is the need to protect the rights of children and their welfare. The minister would agree that although there is no definition of the term "family" in the Family Court Act, in many cases the family does not consist of a mother, father and child, a mother and child or a father and a child; it can be an extended family in which the grandparents of the child, either maternal or paternal, play an active role in the child's welfare.

Section 88 describes those persons who may apply for a parenting order in respect of a child. It is clear that either or both of the child's parents may seek a parenting order. The child can also seek a parenting order, as well as any other person concerned with the care and welfare or development of a child. In the overwhelming majority of families in which there are ex-nuptial children, such a person would be the child's maternal or paternal grandparents. The definition of a parenting order is set out in section 84 of the Act, which states that a parenting order can deal with such matters as the person or persons with whom a child is to live, and contact between a child, another person or other persons. Beyond that, there are other provisions that apply in circumstances in which a person other than the parent of a child has approached the court seeking a parenting order. For example, section 92 provides that in cases of that kind, counselling is mandatory - as it is in all matters relating to child welfare proceedings. At the moment, grandparents have standing to file an application to seek a parenting order. However, if they wish to get involved in proceedings that have already been instituted, they must intervene in the proceedings to seek an order in respect of the child. I propose that in cases of that kind in which proceedings are contemplated or have been instituted the grandparents of a child or children concerned should be served with a copy of the application and any relevant supporting or ancillary documentation so that they may be aware that there are proceedings afoot concerning such children. They would then have the option to become involved in the proceedings and to seek whatever order they may wish to seek of a parenting order nature, or they may decide to do nothing.

The problem is that in many cases, grandparents are not aware that proceedings have been instituted by the parents of a child who is the subject of the Family Court Act. By the time they have become aware, the proceedings have reached a stage at which it is somewhat awkward for them to intervene and to seek orders, particularly in cases where interim orders have been made and it would be difficult to mesh in, for example, contact orders involving the grandparents with other orders. I cannot understand how this could be considered to be a draconian measure or unfair or unreasonable. I cannot understand how people can respond by saying that grandparents generally do not play an active role in a child's welfare. That is not the case at all. I know of many instances in my family unit and others in which grandparents play an active role. They can play an active role in all matters relating to the child - day-to-day supervision, care, control, welfare, school activities, extra curricula activities, sporting activities, parent-teacher nights, and tuckshop duty. This is becoming increasingly common in circumstances in which both the child's parents, for whatever reason, find it necessary to work on a full-time or part-time basis. I ask the minister to consider amending the Family Court Act to give grandparents an as-of-right entitlement to be joined in such proceedings at the outset.

MR PRINCE (Albany - Minister for Police) [9.54 am]: I thank the member for Joondalup for raising this issue by way of grievance. He has set out the current law succinctly and well. It is perhaps not well understood in this State that Western Australia has a unique Family Court in the sense that there is none other like it in Australia. All the other States of Australia, after the passage of the commonwealth Family Law Act 1974, chose a commonwealth Family Court, and state courts which were separate dealt with ex-nuptial children and other matters like adoption. Only Western Australia decided to form one court which would have all those powers and which would, effectively, be a one-stop shop for disputes about marriage, and what were then called child custody arrangements - whether they be children of a marriage or ex-nuptial. History has proved this State to be correct in adopting that model, because it has worked far more effectively than anywhere else. There have been recent jurisdiction problems concerning the Family Courts in other States and appeals to the Full Court which do not exist in this State, because it followed a unique model. We have proved we have the best system in Australia by far.

The issue of grandparents is interesting. I suspect that, when the Acts were drafted in the 1970s, it was recognised that the family unit was the nuclear family. That is probably largely to do with the origins of post-settlement Australia not being settled by extended families. In the postwar migrant surge from Europe and Britain the family unit was largely a husband and a wife, perhaps with children, or the children were born after they arrived in Australia. The extended family did not migrate as such.

The Aboriginal population has a traditional pattern of child care in which the uncles, aunts and grandparents care for infants and small children while parents gather the sustenance to keep the family going. If we translate that into more modern times, the extended family has more responsibility in the child's upbringing and care than the parents. That is not universally the case, but it is still the case among many Aboriginal people. The Aboriginal extended family is natural; it happens all the time. It is often said that no Noongar child will be homeless, because someone will take the child in. That is a broad concept of extended family. I have also noted from long contact with Italian Australians in my electorate of Albany that the Italian extended family is the natural unit rather than the nuclear family, and there is a great deal of association both socially and in the family sense.

I agree entirely with the comments of the member for Joondalup about both parents working. Often the grandparents will be the principal child-care providers during the day if the parents cannot afford to pay for child care or do not want to take advantage of it. In many respects, the grandparents would be preferred to a paid child-care provider. That is not necessarily always that case, but it is often the case. Grandparents have been able to intervene in proceedings in which there has been a dispute about with whom a child should live, and the contact issues. I know of cases in which grandparents have won what was called custody of a child against the parent. They are usually exceptional cases and often involve some proven form of abuse by the birth parent of the child, and the grandparents have had a long association with the child and have cared for the child. That is the exception rather than the rule.

The suggestion by the member Joondalup for grandparents to have an as-of-right involvement with their grandchildren

should be explored. That could be done through disclosure of who the grandparents are and where they are when applications are filed with the court for day-to-day care of and contact with the child. In some instances, the grandparents will have had no contact with the children at all, but that is beside the point. If there is to be an as-of-right ability to be joined in proceedings, the court must be informed of who the grandparents are and where they are, and the grandparents as a matter of course must be notified, perhaps by copies of the application through registered mail. That is not likely to increase the cost of the proceedings, which is very important. It would then be up to the grandparents to take some action. I agree that at the present time grandparents, if they wish to be able to intervene, face a huge hurdle. They must be prepared to find the wherewithal to employ solicitors to be able to do so. Often grandparents who are not fully employed any more due to age and other circumstances are on limited income, and it is difficult for them to be able to afford to do that. Nonetheless, not only do they have a legitimate interest in the care of the child but also they may well be people with whom the child will have a stable relationship in the uncertain, shifting relationship that exists between that child's father and mother. Therefore, it is even more important from the child's point of view.

I would support the proposition of the member for Joondalup. I understand that he has written to the federal Attorney General about the Family Court Act. I am more than happy to take up with the state Attorney General what he said about the Family Court Act of Western Australia. The member may care to muse upon this and perhaps ponder: I would just question whether one should not extend this process to other relations. One could argue for it, for example, in the Aboriginal area where uncles and aunts are very important. It may not apply to some other parts of the community. However, the member's suggestion relating to grandparents is an excellent one and should be followed up. I give an undertaking that I will convey the *Hansard* of this speech to the Attorney as soon as it is available.

RULAND, MR TREVOR AND NEVILL, HON MARK

Tabling of Letters

MR OMODEI (Warren-Blackwood - Minister for Local Government) [10.02 am]: During grievances I indicated that I would table some letters to Mr Trevor Ruland and Hon Mark Nevill. I now do so.

[See papers Nos 144A and 144B.]

The DEPUTY SPEAKER: Grievances noted.

TITLES (VALIDATION) AND NATIVE TITLE (EFFECT OF PAST ACTS) AMENDMENT BILL 1999

Introduction and First Reading

Bill introduced, on motion by Mr Barnett (Leader of the House), and read a first time.

Second Reading

MR BARNETT (Cottesloe - Leader of the House) [10.03 am]: I move -

That the Bill be now read a second time.

In October last year, the Government introduced to Parliament a legislative package to create a state native title regime compliant with the amended Native Title Act. Part of this package was the Titles Validation Amendment Bill, which provided for the validation of the so-called intermediate periods acts; that is, those done between the proclamation of the Native Title Act and the Wik decision, and confirmation of the extinguishment and partial extinguishment of native title in accordance with the Native Title Act.

The Opposition, combined with the minor parties, amended the Bill to significantly constrain the confirmation provisions leaving about 1 300 lease holders exposed to native title claims and potential litigation to defend their interests. The Bill, as amended by the upper House, was reluctantly accepted by the Government on 20 April this year to provide the maximum certainty allowed by the Native Title Act for the majority, even if not for all, of those title holders affected. However, at the time the Government made a commitment to protect those lease holders whose titles were left out by the Labor Party amendments. The purpose of this Bill is to do just that.

Clause 4 of the Bill amends section 121 of the Act. The Government's original Bill provided for confirmation of extinguishment of native title by the grants of freehold estate, commercial, exclusive agricultural, exclusive pastoral, residential, community purpose and other leases - with the exception of mining leases - and scheduled interests. The extinguishment was taken to have happened when the grant was issued. The Labor provisions, reflected in section 121 of the Act we are amending, exclude all community leases and replace the list of the scheduled interests by conditional purchase leases which required the lessee to reside on the land, and perpetual leases. These provisions also limit the confirmation provisions to the leases in force as at 23 December 1996. The amendment now proposed by the Government reinstates the original government clause to provide for confirmation of extinguishment of native title by all exclusive possession leases, including commercial, exclusive agricultural, exclusive pastoral, residential and community purposes, and scheduled interests.

Clause 5 of this Bill amends section 12J of the Act. This clause provides for confirmation of extinguishment of native title over land on which public work was or is situated in accordance with section 23B(7) of the Native Title Act. This reinstates the provision from the Government's original Bill, which was amended by the Legislative Council to exclude public works which cease to be in existence on 23 December 1996 and limited the area to the footprint of the work.

The Bill is essential to provide security to the hundreds of leaseholders abandoned by the Labor Party without any justification. It is also important for the future dealings with and development of land where native title has been extinguished. I commend the Bill to the House, and for the benefits of members, table an explanatory memorandum for the Bill.

[See paper No 145.]

Debate adjourned on motion by Mr Cunningham.

ADDRESS-IN-REPLY

Motion

Resumed from 14 September.

MR KOBELKE (Nollamara) [10.06 am]: I use this opportunity to speak on matters relating to industrial relations and how the industrial relations policies of this Government have eroded the relative value of wages in this State. I will make some specific comments on the Industrial Relations Commission and the operation of its registry.

Under the Court Government, there has been an attack on the wages of those who are paid the least in our community. Through the establishment of Western Australian workplace agreements, many low-paid employees have had their wages reduced even further. Workplace agreements have not provided a level of income with which workers are able to maintain their standard of living and security in their employment. There has been a huge growth in job insecurity. That has not happened because Western Australia has not had job growth but because the industrial relations policies and laws of this Government have attacked job security and reduced wages for people who were already on fairly minimal wages.

The Commissioner of Workplace Agreements produced a report earlier this year which indicated that 25 per cent of the workplace agreements had been registered in a given month with a lower hourly rate of pay, generally the hourly rate included in an agreement increases, but the wage is less because of the lost benefits for the people who signed the agreements. The commissioner said in that report that the report made no finding on wage outcomes. That very small part of one sentence is a very important indictment of workplace agreements and the contents of the report. The report simply looked at hourly rates, but the hourly rates mean nothing if people are not getting the same number of hours, leave loadings or extra bonuses because of the work they do. All those conditions are stripped away in workplace agreements. Without penalty rates and other conditions, the hourly rate becomes absolutely imperative. The situation is that, although the hourly rate might increase under the agreement, people still receive a reduced take-home pay because they are working fewer hours, not getting overtime and all the rest of it. In that scenario, 25 per cent of employees on workplace agreements received a lower hourly rate of pay. The legislative and employment structure put in place by this Government is driving down conditions and wages for many Western Australian workers.

I make a comparison between the minimum wages under the Minimum Conditions of Employment Act and the federal award: A cleaner employed for 38 hours a week under a federal award receives a minimum wage of just over $20 000 per annum, yet a person employed under a Western Australian workplace agreement performing the same work for a 38-hour week receives a minimum wage of $17 000 per annum. To have a $3 000 per annum difference at such a low wage for people who must support families shows that this Government is driving down conditions for people who are already finding it almost impossible to survive and look after their families.

The Government might respond by suggesting that we look at average weekly earnings. I refer to the Australian Bureau of Statistics report on average weekly earnings in Western Australia and across Australia. The report indicates that average weekly earnings have increased over the past five to 10 years. Inflation and cost pressures are involved, and the fact it is increasing does not tell us anything. One must compare how wages are going in WA to some benchmark. I suggest the best benchmark to use is Western Australian average weekly earnings compared to average weekly earnings for the whole of Australia, including Western Australia and all other States. We then see the effects of the Government's industrial relations policy in driving down the wages of Western Australians.

This aspect must be set in the context of the good economic growth experienced in Western Australia during the past five to seven years. Since we came out of the recession of 1992, which was a worldwide recession affecting the economies of most leading industrial countries, we have had good economic growth in this State - perhaps even more than that in some years as we have been doing very well. One would hope that this growth would have flowed through to the pay packets of working Western Australians. However, it has not produced big benefits. There have been big benefits for some, and big losses for others.

I now speak to three graphs which represent the data taken from the ABS figures on average weekly earnings. The ABS publishes three different sets of statistics, which I need to explain. It collects full-time, ordinary time earnings - that is, for persons working full time with no overtime or extra payments. The second set of statistics is for full-time total earnings, including overtime and bonuses for full-time workers. The third set of statistics is total earnings for all workers, including part-time workers, full-time workers, bonuses - the lot. The ABS also publishes this data for males, females and the total population. The legend on the graphs are abbreviated, but my explanation outlines that one line on the graph relates to average weekly earnings for full-time ordinary employment, another for full-time total wages and the other for all employees.

These average weekly earnings for Western Australian males have generally been 2 or 3 per cent above the national average. The figures are from February 1990 to the most recent ABS release in May 1999. One can see that generally WA has stayed 2 to 3 per cent above the national average, except in the past two or three quarters, during which a relative downturn occurred in our position compared to the Australian average. The total earnings for all Western Australian males for the

past two quarters has fallen below the national figure. The figures jump around a little, and one would not look at only one quarter. However, in two quarters in a row Western Australian workers in total have fallen below the national figure; we are doing worse than the rest of Australia. In a State which has led Australia's economic growth for many years, the return for average workers is below that received in the rest of Australia. That relates particularly to the total figure, which includes part-time and casual labour. This Government's policy has been to drive more people to part-time and casual employment, and conditions for this growing part of the work force are falling behind those for the rest of Australia.

I turn now to the figures for females from February 1990 to May 1999. We find that the remuneration to women in Western Australia has generally been below the national average. Average weekly earnings for females have been from 2 to 6 per cent below the national figure. Clearly, women are disadvantaged in their employment in Western Australia compared to those in the rest of Australia. Since early 1996, for full-time ordinary female employment and full-time total female employment, which includes overtime, the rate of growth of average weekly earnings has been stable at about 4 per cent, which is a slight fall-off from levels of the early 1990s. However, from 1996 to 1999 a steep downward movement has occurred in wages paid to women in Western Australia when compared to those in the rest of Australia. That can be attributed only to the industrial relations policies of this Government, which has sought to sideline unions and stop them effectively representing employees. This Government has promoted and pushed workplace agreements, and in its employment does all it can to force people onto workplace agreements. This result is clearly demonstrated in ABS figures. The rate of growth of total average weekly earnings for females in Western Australia over the past four quarters are 12 to 14 per cent below the national figure. I emphasise that figure.

The last graph to which I refer outlines average weekly income growth for all persons. One can see a marked downturn since 1996 in the level of remuneration for Western Australians compared to levels in the rest of Australia. I seek leave to incorporate the graphs in *Hansard*.

[The material in appendix A was incorporated by leave of the House.]

[See page 1345.]

Mr KOBELKE: The Government might say that it has not been able to deliver any benefit to the average workers through increased wages and salaries, but it has a good record in job creation. I concur. Western Australia has done very well in job creation in the time of the Court Government, and we have the lowest unemployment level in Australia. What comparison can we make? Can we compare it to States which do not have the economic benefits enjoyed by Western Australia? Yes; we certainly beat those States. Why not compare the Court Government to the Burke Government, which is a reasonable comparison? When the Burke Government was elected in 1983, we were coming out of a worldwide recession. When the Court Government was elected in 1993, we were also coming out of a worldwide recession which hit in 1991 and 1992. Obviously we are comparing figures of Governments that served at different periods, but at similar periods of the economic cycle. In the first six years of the Court Government we had job growth of 20.6 per cent, which is a commendable record, and went with the lowest unemployment rate in Australia. However, in the first six years of the Burke Government, from 1983 to 1989, job growth was 29.1 per cent. That indicates that this Government has achieved two-thirds of the job growth record of the Burke Labor Government. Clearly this Government could have done better. It has done well but at a cost to ordinary workers and the lowering of wages relative to Western Australia. It has not lived up to the possibilities that job creation could bring.

In its presentation in the budget papers this Government has made a habit of over-estimating job growth. In the financial year just completed its figures were out by a fairly large margin. When the 1998-99 budget was brought down early in 1998, it forecast employment growth of 3.25 per cent. When the budget was brought down in May this year, that figure for the year ended 30 June 1999 had been revised to 2.5 per cent. The actual figures for July show that job growth achieved for that period was 1.3 per cent, approximately one-third of what the Government hoped for. Job growth is flat and that is a cause for some concern with a growing population. Without wishing to go into a range of factors that are responsible for that, such as the downturn in the resources sector, which is beyond the control of this Government, we hope we will see a lift in the State's economy and an improved job growth figure. However, it is worrying that at present job growth in this State is flat, and more so that the level of full-time jobs is barely moving. The total number of full-time jobs in Western Australia has improved little since the end of last year.

I turn now to the enforcement of the industrial and labour laws in this State and how that has not been something to which this Government has given priority. In wanting to maintain their wages, people expect that the laws will be honoured and that they will have a mechanism by which they can enforce their rights if an employer treats them in a manner that is below the standards set by law. Most employers do the right thing. However, if we do not require the small number of employers who mistreat their employees to be brought to account, we will undermine the viability of many good enterprises that work within the law and treat their employees properly. It is, therefore, incumbent on the State to ensure that our industrial relations laws are enforced.

Unfortunately, this Government is lax in enforcing labour relations laws in Western Australia. In fact in most cases it does not enforce them. It is our view that there should be a much higher level of enforcement through both the resources put into the Department of Productivity and Labour Relations and policies. When cases are brought to the department's notice, such as employees not being paid according to the law, it should ensure their rights are upheld. Employees should have access through the WA Industrial Relations Commission to require their employers to reimburse them for underpaid wages or to be reinstated if they have been unfairly dismissed. However, we do not see that support coming through the DOPLAR under this Government. Its policies have been to not prosecute but to try to undertake deals that let off the hook some unscrupulous employers.

The Western Australian Industrial Relations Commission should play an important role in the enforcement of labour laws in this State. This Government is trying to move away from the arbitration of the Industrial Relations Commission. Western Australian workplace agreements cannot be enforced through the Industrial Relations Commission. It is up to a worker who has been adversely affected by an employer's decisions under a workplace agreement to take action through the civil courts. For most workers that is impossible and denies them access to justice.

For many years the Industrial Relations Commission has been a means by which workers who have been adversely affected by an employer's unlawful decision can gain access to justice. Its systems are not as formal as those in the court system. Its structure allows advocates to be used which means that many people can afford to take a case to the Industrial Relations Commission, whereas they could not afford to take it to the civil courts. We should be giving the Industrial Relations Commission a greater role to play in this area. That is neither the philosophy nor politics of this Government. It is seeking at the state level, as are its Liberal colleagues at the federal level, to undermine the workings of industrial relations commissions. They believe that in freeing up the system and taking away workers' rights they will somehow create a brave new world. I have no belief in that whatsoever. Although there is always a need to reform these institutions to ensure they operate efficiently and the individual and common good is best served by their operation, they should be reformed and revamped and given a greater role, rather than have their roles continually whittled away, their status reduced and their ability to help workers uphold their rights eroded. The Labor Party has a different view from that of the Government. It wishes to see the Western Australian Industrial Relations Commission play a much greater role in industrial relations and be improved so that it can perform that role effectively.

That leaves me in a somewhat difficult position because any criticism I make of the commission may seem to undermine its credibility and its role. As I have already indicated, I believe the commission should play a much greater role. It is, therefore, incumbent on me and other people to ensure that the commission is working effectively and efficiently. In the estimates debates earlier this year I raised the issue of a commissioner who waited for six years to bring down a judgment of unfair dismissal. In the reasons for his decision he said that he had found that the worker had been unfairly dismissed, but because it had occurred six years earlier he could take no action. If the Industrial Relations Commission operates in that way it will have no credibility in the wider community. That is one example of the commission's lack of performance. It must be seen to be performing in a much more timely and effective way. That matter appears to have been resolved and Commissioner Parks will not be continuing as a commissioner of the Western Australian Industrial Relations Commission.

The Government has been tardy in announcing replacements for commissioners. Commissioner Cawley has resigned and Commissioner Parks has indicated that he will be stepping down before the end of the year; yet no announcement has been made by the Government about who should be their replacements. I hope the Government will not play games with this and be at least willing to announce a replacement for Commissioner Cawley, and in a short time a replacement for Commissioner Parks. It is timely to consider making appointments of people who have a background on the union side. The Government has not followed the previous tripartite arrangement of appointing commissioners from industry, unions and government. The commission does not have a reasonable share of commissioners who come from a union background and who understand the need to uphold the rights of workers and the difficulty of successfully prosecuting cases where workers claim to have been treated unfairly. I call on the Government to announce soon the replacement commissioners for those two positions, and in doing so to improve the balance in the commission by ensuring that at least one, if not both, of those commissioners comes from a union background.

I turn now to the unfortunate complaints I have received about the operation of the registry of the Western Australian Industrial Relations Commission. This is a difficult issue to approach. I have spoken to not just one or two but numerous current and former employees of the registry of the Western Australian Industrial Relations Commission, and to relatives and associates of those people, and I have gathered a very sorry picture of very good people, some of whom have been in the commission for many years, ranging from people who are highly qualified to people who have low level clerical jobs, who have complained of a range of problems in the registry. I call on the Minister for Labour Relations to investigate the management and operation of the registry of the Western Australian Industrial Relations Commission, because those complaints range from victimisation, to harassment, to intimidation, and to discrimination on racial or gender grounds. The person who was discriminated against on gender grounds was highly qualified, and she was pushed out on the basis that because her level of competence was well above that of some people who were in more senior positions, she was regarded as a threat. The list goes on and on and includes a range of accusations that people are being abused and mistreated in various ways under the current management structure of the registry of the commission.

The Industrial Relations Commission should be a model employer. People who are experiencing problems in the workplace and believe that the employment conditions that are required by law are not being upheld should be able to turn to the Industrial Relations Commission in the hope that they will get justice, their rights will be upheld and the law will be fulfilled. Therefore, it is certainly not acceptable when accusations are made that the commission is itself a bad employer and is not treating its employees with the respect they deserve and ensuring that their rights are upheld. This matter has now reached the stage where the staff on more than one occasion have taken action in the commission against their employer - the registry. Surely it should ring alarm bells when employees of the commission bring cases to the commission because they believe it is not playing by the rules.

Some of these employees have made complaints to the Commissioner for Public Sector Standards. I have spoken to the commissioner and passed back the advice that more of these employees should lodge complaints with the Commissioner for Public Sector Standards. Some time ago I wrote to the Minister for Labour Relations about a particular case, and I have received no evidence that that matter has been dealt with effectively. People are on sick leave because of the stress under which they have been placed from what appears to be victimisation and total mismanagement within the commission.

I have been advised that the commission has spent a large amount of money on the installation of a computerised telephone monitoring system so that certain people can check on who is making and receiving telephone calls, and the people to whom and from whom those calls are being made. The level of intimidation is such that all telephone calls are monitored to ensure that no-one is speaking to a person in the Opposition about the problems that exist in the commission. It is a waste of taxpayers' money to monitor calls that come into the commission. I do not know what the commissioners think of that. These commissioners have a judicial role, and public servants are monitoring who speaks to them! I have heard the story that one commissioner is making and receiving telephone calls only on his mobile phone so that people may not pry.

Mr Bradshaw: A bit of phone tapping is going on?

Mr KOBELKE: It is legal.

Mr Bradshaw: Why?

Mr KOBELKE: Because it is a government department, and it has paid for a monitoring system to be installed on the switchboard or exchange that does not listen to the calls but does register that Joe Blow received calls from A, B and C and made calls to X, Y and Z. That is the level of monitoring and intimidation that is taking place, and it is creating an environment in which people feel victimised. It is difficult to understand how that expenditure on a monitoring system can be justified.

Some of the employees of the registry have been pushed sideways and given menial work to do, and a contractor has been brought in to do some of the work. I have asked the Auditor General to look at some of the financial aspects of management within the registry of the commission. This is not a situation where there are one or two disgruntled employees. It is a situation where there are major management issues. However, the problem is getting people to come forward and speak out, because some of the employees who have spoken out have been victimised, and the other employees fear that if they also speak out and try to get something done about the situation, they will be victimised too. However, that has not stopped some of the people committing to writing the complaints of which they are aware. As I indicated, I wrote to the minister some time ago to bring some of these matters to her attention. It is now well past the stage where the minister must inquire into this matter and ensure that something is done to clean up the mess that exists in the registry of the Western Australian Industrial Relations Commission.

MR BRADSHAW (Murray-Wellington - Parliamentary Secretary) [10.36 am]: I wish to talk about a matter of grave concern in my electorate; that is, the possible, and very probable, deregulation of the dairy industry. Over the past 20 years or more, the dairy industry in Western Australia has been very stable, as a result of a quota system to ensure that there is a regular supply of milk for 365 days of the year. In the past when there was no guarantee that a particular price could be achieved, or when at certain times of the year it was difficult to produce milk because of lack of feed or weather conditions, the supply of milk tended to drop off. The quota system was put in place to provide stability in the industry by giving people the financial incentive to produce milk every day of the year. Dairy farmers are very fortunate compared with other farmers, because they know that if under the quota system they produce X litres of milk per day, they will receive a cheque each month for a certain amount. There are slight variations with what are called overs and unders, when the amount of milk produced is higher or drops off, but that is an accepted part of the quota system.

In the 1980s there was some concern about what was happening in Victoria. There is a total overproduction of milk in Victoria. Victoria produces about 65 per cent of the milk that is produced in Australia; Western Australia produces about 5 per cent. Victoria has about 8 000 dairy farmers; Western Australia has just over 400. Those farmers in Victoria have experienced hard times and low returns, and they believe the way to overcome this problem is to spread their milk throughout the rest of Australia. In the 1980s, a scheme was put in place where all the Australian dairy farmers contributed to a fund to subsidise the export of dairy products like cheeses, and that worked quite well in the sense that until now the industry has been stable. For one reason or another that system is not being continued and it will finish in June next year. Under those circumstances it seems that the Victorian farmers will wish to deregulate their industry. I think they are heading in the wrong direction, but they believe they will achieve a price increase for their milk. In my opinion the price of milk will decrease and they will be worse off. If Victoria deregulates, that will force every other State in Australia to deregulate its dairy industry. Another problem in Victoria is that because it worked on a different system from that in Western Australia, the milk price had been dropping off as a result of supply and demand factors. Victoria did not have a fixed quota system, although for some time it had fixed gate prices. The prices were dropping, and to compensate the farmers produced more milk which made the situation worse. All the wrong incentives were put in place in Victoria in an attempt to combat the problem but, instead of improving the situation, they made it worse.

If the deregulation of the dairy industry takes place, in Western Australia the price farmers receive for quota milk will drop from 48¢ a litre. The problem is that the farmers are having difficulty working out the direction they will take and how they will restructure to sustain their operations and keep in the industry. There is uncertainty about the price, but a figure of 28¢ or 29¢ a litre has been bandied around. That would probably still be sustainable for the dairy farmers but it is much less than they have been getting. In turn, that means less money in country areas and less money circulating in those areas, and it will have flow-on effects.

I was watching the *Landline* program on ABC television a few weeks ago, in which reference was made to the subsidies paid to European and USA farmers. On average they receive subsidies of $36 000 a year, compared with $3 000 for Australian farmers. There is no level playing field in the agricultural industry. A prime example this year was the imposition of a levy on lamb sent to the United States. The US did not want quality Australian lamb imported into its country, and it imposed a 40 per cent tax on all lamb that crossed the border into the US. It is not a level playing field and if these countries want to play those games, the Australian Government should adopt the same policies to keep Australian farmers on the land.

When farms are no longer viable, people will leave them. A number of people have left the land over the years and headed to the cities. That decimates the population in country towns. The south west is fortunate that the situation is much more stable in that area, partly because of the milk quota system. However, in the wheatbelt areas the populations of some towns have been decimated, and that has resulted in a loss of facilities and associated services.

I understand why the Europeans are subsidising their farmers, because they realise that if they do not the farmers will gravitate towards the cities and put more pressure on those cities. It is much more important to keep people in country areas and on the land, than to create jobs for them and deal with the problems that arise when they hit the cities. It is better to pay for people to stay on the land than to pay unemployment benefits to them in the cities.

I recently read another article from England indicating that in the past 10 years the primary production cost to farmers has increased but their return has decreased. That is a worrying situation. I see something similar happening in Western Australia. I remember five or six years ago that a farmer in Harvey was making a comparison between what he had been earning 10 or 20 years previously and the amount he earned at that time. He said that 10 or 20 years earlier he had been able to buy a Range Rover on the proceeds of the sale of six or seven steers, but currently he would need to sell 50 or 60 steers to purchase the same vehicle. It is a comparison between the changing values in the farming community. It is interesting to note that these days farmers must produce much more to break even or remain afloat. There is less money in country areas and the people from those areas are the poor country cousins of the people in the cities. It always intrigues me that many rich people in the city make their money from shuffling paper in St George's Terrace. In country areas, where the wealth and exports are produced, people are living on the smell of an oily rag and are battling to survive.

Another concern is the ageing farming population. Young people are not staying on the land, firstly, because the farms cannot support family members and, secondly, because there is no incentive for them to remain as the returns are so low. Things must turn around in this regard.

I am not sure what the answer is with regard to deregulation of the dairy industry. However, it would help if the Victorian dairy farmers came to their senses and recognised that it would not be a positive move to deregulate the industry. For some reason they think that if they move their produce into other States, that will result in an increase in prices. They have not accounted for the additional transport costs and other problems that will arise, because the other States will not take it lying down. They will be competitive and the prices will probably decrease for a while until the situation stabilises. Those 8 000 dairy farmers in Victoria will certainly diminish in numbers in a few years.

I take this opportunity to thank the Minister for Education, the Minister for Primary Industry and others who have been associated with the Harvey Agricultural College. Three or four years ago a group of people, including me, tried to persuade the Government that the best thing for the college would be to relocate to the Wokalup research station, which was excess to the needs of Agriculture Western Australia. The chances are that the research station would have been sold and lost to the public sector. We had a problem with the Harvey Agricultural College because of the proposed Harvey dam. It has not been given the go-ahead yet, but a decision will be made in the next month or so following receipt of the final report from the Environmental Protection Authority. When the Harvey dam is built - and that seems pretty certain - the Harvey Agricultural College will lose a fair section of its land, which means it will have less land to farm and less land on which to accommodate students. Moving to the Wokalup research station will give it access to 2 000 acres and will enable the college to run commercial herds of dairy cows, sheep and beef cattle. That provides the more realistic commercial side of farming. A few cattle to milk, and a few pigs and sheep to tend do not provide students with the same experience they would get from managing commercial herds.

I thank those people who have been involved. It took four years, which is much longer than I would have liked because the sooner things move, the sooner the project can be up and running. It will not mean an immediate transfer of the Harvey Agricultural College because infrastructure costs must be allowed for accommodation, classrooms, sheds and the like. It will probably happen over five years. The students will farm the land at Wokalup but will continue to be accommodated at the current college site. The advantage of keeping the Harvey Agricultural College going is that it is very close to Perth and is accessible to children from the wider community and not just the children of farmers. That applies to agricultural colleges in general. A percentage of students from the metropolitan area attend the college in Harvey. It is very important to keep students coming into the course. They do not necessarily farm after they attend the agricultural college, but they get into associated businesses, such as fertilisers, chemicals and farm machinery. If people sell those products, it is better for them to have a background in agricultural studies. It is important to have the agricultural college in Harvey because it is close to Perth and is amenable to those students. It will mean an increase in the number of students who attend the college and, in turn, more employment locally. It also gives a little stability to the town, and I am pleased with that outcome. The people in Harvey are very happy with the new proposal. In the short to long term, it will also provide an opportunity to subdivide the land that is left, to try to attract more people to live there. Harvey is a great area and nice residential blocks could be made available if a subdivision is undertaken.

I have a concern with the over-regulation in Australia today. Too often I get complaints from people in business that all they see is red tape and more regulation. I am fast becoming very strongly opposed to more regulation which this Parliament, other Parliaments and local government authorities want to impose on people. It is about time we asked how we can pull back on the regulations which continue to be imposed and which place a burden on people who are trying to get on with their lives, earn a dollar and create employment. Many of these regulations are a disincentive to employment. Recently I ran into a fellow who does odd jobs around Pinjarra. He told me that there was no way he would employ anyone because for every worker he puts on, he has to arrange workers compensation, and more book work and worries are involved. He is just not prepared to do it. I have heard that from other people. These days there are too many disincentives to employment. It is a little sad that we are not looking at ways to reverse that trend.

I will give members an example of what has happened in this regard in Harvey over the past 20 years. The builders in Harvey used to employ people. Now they use subcontractors to do carpentry and bricklaying; whereas, when I first went to Harvey, the main builder then, J Newby and Sons, employed bricklayers and carpenters, and also took on apprentices. The move now is to get rid of those people. These people are somewhere in the community. Nobody is worrying about whether apprentices are coming through. It seems to me that not many of them are coming through these days, which is rather sad. We must address that so that businesses are given the incentive to employ people and do not just pull in subcontractors to do the work.

Last week I, and I think most members of Parliament, received a letter from Philip O'Carroll, the founder of COBBERs - that is, Citizens Opposed to Bureaucratic Bullying and Excessive Regulation - in Victoria. I can understand the frustration he set out in a pamphlet included in the letter about his organisation. Too often, I hear that people want to build something or set up an industry or a business and all they face are hurdles and obstacles, instead of local government and state government trying to help them to achieve their aim. People get so frustrated that in many cases they just give us up because it is too difficult. I can certainly understand why COBBERs has sprung up. It is unfortunate that we need these people to tell us that we are heading in the wrong direction, and we probably have been going in that direction ever since we set up Parliaments and local government authorities that set rules and regulations. Of course, we must have some rules to live by, but we have gone too far in the wrong direction which makes it just about impossible for people to get anything done these days.

I will give a recent example of the over-bureaucratic process. It relates to the scheme regarding omnibus standards, which the Parliament sought to bring in earlier this year. Fortunately some members managed to have it stopped. It only meant another level of bureaucracy and was not necessary. The Road Traffic Act already sets out the standards for buses. We were going to bring in another layer of bureaucracy which meant that people had to go to a course and had to tick little boxes on a form. It was a farce because not everybody will do that every day. If people got caught out, they would have been filling in the forms as required under that proposed scheme. We must look at the legislation that is introduced that seeks to impose more regulations and conditions on people in Western Australia. It is about time we started to look a little harder at the legislation we bring into this place.

MRS ROBERTS (Midland) [10.56 am]: In opening my remarks on the Address-in-Reply I take the opportunity to congratulate Crime Stoppers Western Australia for the awards it received yesterday. Members may be aware that Crime Stoppers received 10 prizes in the 36 awards at the International Crime Stoppers Conference, which were announced yesterday at Fort Lauderdale in Florida. On behalf of members on this side of the House, I offer special congratulations to Mr Roy Caldwell, the founder of Crime Stoppers WA. He received the 1998 Citizen of the Year award. I also congratulate *The West Australian* and Channel 9 for sponsoring Crime Stoppers WA. Of the 10 awards, *The West Australian* won two first prizes in the print media category for special features: One for a series on the missing prostitute Lisa Jane Brown; the other for the crime of the week category, which was a news report entitled "Thief struck from behind". Channel 9 won three awards including third prize in the category of public service announcements; second prize in the category of crime of the week; and third prize in the special features category.

Radio PMFM 92.9-94.5 FM won first prize in the crime of the week category. In the productivity awards Crime Stoppers Western Australia won third prize in each of following categories: Most cases cleared; most arrests; and greatest dollar recovery. It is an outstanding result at an international conference for Western Australia to receive 10 of the 36 prizes. No other State in Australia won anywhere near as many prizes. I understand some of the larger States won maybe two prizes, but none came close to Western Australia. That is an outstanding achievement for Crime Stoppers Western Australia.

I want to turn now to matters concerning my electorate. There are some problems with schools in my electorate. I have raised questions in the House previously about Middle Swan Primary School and drawn to the minister's attention the fact that they had been promised a primary school at Jane Brook, which should have been built by 2001. I have received unsatisfactory answers on the of progress towards providing a school at Jane Brook or anywhere near Stratton, which would in some way ease the numbers at the school. The numbers at Middle Swan Primary School have increased steadily over recent years and the projections are that within a year or two there will be approximately 1 000 children at the primary school. That is far too large a number. Middle Swan Primary School in Stratton currently has more than 850 children at the school and this has created problems. I highlight the fact that the proposed school at Jane Brook has not been built which has put additional demands on Middle Swan Primary School and has caused it to bulge at its seams. It has far too many demountables and the facilities were not built to cater for that number of students. The undercover area was built to cater for approximately 550 children, not the 850 currently enrolled.

I understand that plans for 2000 at the school include six pre-primary classrooms, placing four-year-olds in the current music room, two more demountable classrooms in E block and one demountable room for the music room. I am told these new classrooms will cater for even more children and the estimated school population for next year will be over 1 000 children. This will create more stress in the current canteen on available space for the workers and storage. It will make it impossible to hold whole school assemblies, as the children will either be sitting in the bright sun or alternatively in the rain.

At a meeting on 8 September 1999 of the Parents & Citizens Association there was discussion regarding the extensions to the school staff room and office, to which the Education Department has allocated money. In 1998 the school submitted a request to have the canteen undercover area extended. The submission has apparently been knocked back and the P&C is now fighting to have the request looked at again. It wants the Education Department to fix the situation. It is also fighting to have the school airconditioned, something that I support. I want the minister to be aware that I fully support what I see as minimal requests under the circumstances from Middle Swan Primary School to have their facilities improved. I would like to see the extension to the staff room and office expedited as a matter of urgency. The minister needs to get his

department to look again at the decision not to support the extension to the canteen and undercover area. Quite clearly something has to be done. It is unacceptable that they are provided with neither a new school to cater for some of the students nor the facilities to cater for the overcrowding at Middle Swan Primary School. In some years the student population increases by more than other schools.

I understand that they have sent a petition to the Education Department and will send a copy to the minister.

Mr Barnett: I am sure that I visited the school but I do not remember how long ago.

Mrs ROBERTS: I do not recall your visiting the school. Middle Swan Primary School is a new school in Stratton.

Mr Barnett: I would be happy to visit the school if invited.

Mrs ROBERTS: I will certainly invite you out there and I will get my office to contact your office to arrange that as soon as possible. Bellevue Primary School is another issue I have raised in this House many times since I became the member for Midland. I have raised concerns about the lack of a proper resource area and library and the lack of a play area at the school. For some years in the House the minister has responded by saying that he was looking at providing some form of a land swap deal which would enable the children to have access to Goodchild Oval as an additional play area. The minister may be aware that this has not been possible. There has been a change of ownership of the land. It was the Ross Atkins property and it now seems that the Education Department is unable to acquire the land.

Mr Barnett: We tried very hard to negotiate the deal but were unsuccessful.

Mrs ROBERTS: It has been a huge disappointment to the parents and citizens in the Bellevue area. Now things have moved on and a number of options have been put to the parents and citizens of Bellevue Primary School and Koongamia Primary School. Parents are currently concerned that the process seems to be taking a long time and they want to know when they will get a decision as to which option the Education Department will choose. The options include extending Koongamia Primary School or demolishing the school and building a new one on the site to cater for students of Koongamia and Bellevue. This seems to be the preferred option of the Education Department. A third option is to improve the facilities at Bellevue or use an adjacent site.

Mr Barnett: There are some social issues impacting on that decision.

Mrs ROBERTS: There certainly are. One of the difficulties at the moment is the uncertainty as to which way things will go. I am keen to get some feedback from the minister as to when we will know the Education Department's decision. This is the question I am most asked. The timetable for decisions and changes needs to be known.

I have received a letter from the president of the P&C at Swan View Senior High School expressing concern about the loss of their school-based police officer. Mr Tony Cuccaro states -

> This letter is to bring to your attention that Swan View and Eastern Hills Senior High Schools are soon to lose their School Based Police Officer due to insufficient funds to maintain the service.
>
> Police Officer Chris Hambley has accomplished a great deal in the school, and is highly respected by staff and students. Through his training and expertise he has successfully dealt with the transgressions committed by students, but more importantly students are experiencing the positive aspect of law enforcement. School Based Police Officers are very effective in addressing the area of crime prevention among our youth. It is the type of program that enforces respect for society and its laws.
>
> Enclosed is a copy of the letter forwarded to Superintendent Skeffington (Midland Police District).
>
> We urge you to support the continuation of the School Based Police Officer position at our schools. It is imperative to the well being of our society to stop the crimes being committed by our youth. Investment in Crime Prevention Programs in schools, managed by a Police Officer will successfully address this issue.

I note that Mr Cuccaro has attached a copy of the letter that he sent to Superintendent Skeffington. As a member of the Select Committee on Crime Prevention I am well aware of how important these types of programs can be. Many experts in the area of crime prevention have put the view to the committee that $1 spent in crime prevention can save $10 later, when dealing with potential offenders, imprisonment and other alternatives.

Mr Barnett: It is true that the dollar spent is identifiable; the dollar not spent is not.

Mrs ROBERTS: There is more work being done to identify those savings. More and more people are realising the need to convince Governments to spend dollars in those areas. It is difficult to quantify those savings; however, some long-term studies have been conducted in the United States. In one study some children were able to be tracked, because of certain factors in their lives that labelled them at risk of becoming juvenile offenders, as a result of programs they were exposed to and the authorities have been able to prevent them from offending in certain circumstances. I ask the minister, as I am not clear on the funding for these school-based police officers, are they solely funded by the Police Service?

Mr Barnett: Yes, they are police positions. Sometimes the roles are combined with community policing officers or a vehicle may be supplied by the community. It is a community policing role but the officers have other duties also at the school. The department is very supportive of community and officer relations.

Mrs ROBERTS: It may be appropriate for the minister or the department to have some contact with the Minister for Police on this matter because, if there is funding pressure within the Police Service, it would be unfortunate if the result of that funding pressure meant that police were removed from performing a vital role in high schools.

Mr Barnett: They are doing a great job. I cannot make any promise to the member but she or the schools should write to me about that.

Mrs ROBERTS: I will certainly write to the minister about that and I thank him for his comments. It seems that many of the problems can be addressed by the minister in one of his portfolios because my next difficulty relates to Western Power.

Mr Barnett: I thought you might have said something about the Aboriginal systemic school which is in your electorate, isn't it?

Mrs ROBERTS: Yes, and I note the minister's announcement of that.

One of my constituents, Mr Turner of Swan View, contacted me with some difficulties with Western Power earlier this month. A removal truck travelled down his street and clipped a power line that travels from the street pole to his home. The line came down and left Mr Turner without power. He contacted Western Power and when the workers attended his home they informed him that he would have to pay a service fee of $60 to have the power line reconnected. Mr Turner pointed out to Western Power that he was not at fault and asked why he should have to pay $60 because a truck travelling down the street disconnected power from his house. I point out that because of the undulation of the street, these lines travel at an angle from the pole to the house.

Mr Barnett: Was the removal van taking or delivering items to Mr Turner's house?

Mrs ROBERTS: No, the removal van clipped the line.

Mr Barnett: It clipped the wire crossing the street from the other side?

Mrs ROBERTS: Yes, the line travels right across the street; the removal truck was visiting other premises in the street totally unrelated to Mr Turner. Western Power said the removal truck was at fault; however, Mr Turner would need to recover the money from the owner of the truck. A couple of things occurred to me. First, the wire should probably be higher; that may be the fault of Western Power in that it has not erected the line high enough so that a truck of an approved height can travel down the street without touching it. Secondly, it is a burden on Mr Turner to have to pay $60 for something which was not his fault. Thirdly, Mr Turner was presented with a formal document by Western Power, which document he was required to sign on the spot to waive his rights in relation to the $60. Although that may be small bikkies to some people, in principle it is wrong. Any pensioner, or anyone with a limited income, could be forced in that situation to incur that debt. Obviously, Mr Turner had food in his fridge and needed electricity and, therefore, had no alternative but to sign the waiver presented on the spot to him by Western Power. For the minister's information, my office has spoken to Mr Rod Torrens of the minister's office who made representations to Western Power, apparently unsuccessfully. Western Power, in its new guise, does not have the same community service obligations that it once had. I have never heard of anyone having to pay for reconnection of electricity in their home in this circumstance. It is poor form on the part of Western Power to require Mr Turner to sign a legal waiver up front saying that he will take no further action against Western Power. It smacks of standover tactics by a monopoly company and it is something to which the minister should turn his attention.

There are also matters related to my shadow portfolio that I wish to raise briefly, one of which relates to the taking over by the Director of Public Prosecutions on 9 September of the prosecution of Mr Falconer. A number of elements of that matter concern me. I note in a recent article in *The West Australian* that the DPP - who was then the Acting DPP - said he was inclined to file a nolle prosequi. It must be noted that Mr Falconer accepted the hand-up brief of the prosecution and did not contest whether there was sufficient evidence for him to go to trial at the District Court. Despite that, and the fact that the Acting DPP did not intervene at that stage but let the matter proceed to that first stage, the DPP is now considering dropping the charge against Mr Falconer. On the basis of documents I have read, that could not be because of a lack of evidence for the charge. Senior people have looked at the case and everything about it that has become public so far indicates there is sufficient evidence for it to proceed. The preliminary hearing in fact determined that and it was not challenged by Mr Falconer or his legal team. On that basis, it is fair that the matter should proceed to trial to allow a jury to decide whether the law has been broken. I am concerned also that the Government is continuing to pay Mr Falconer's legal costs; Mr Falconer should not be treated differently from other citizens involved in criminal trials. One of the things that must be taken into account when determining whether to let this proceed is affording some justice to the people who originally brought the charge against Mr Falconer. Mr Chris Cull and the five other police officers who brought the charge against Mr Falconer believe that they have been severely and unfairly treated. In fact, the Supreme Court found that the Anti-Corruption Commission had broken the law in dealing with these officers and that Mr Falconer had also erred.

As a result of the treatment of these officers - I note that five of them were reinstated and Chris Cull subsequently resigned of his own volition - no charges against these officers have been pursued by the Director of Public Prosecutions. To the best of my knowledge, there have been no findings against any of these officers. Having met all of these officers and the families of some of them, I can report that their lives have been hell over the past 12 months or so. The naming of these officers on television affected not only the officers, but also their wives and their children whose friends saw the respective fathers on television and in other forums of the media. Most people in this House could not begin to imagine the trauma these people have gone through. If any of these officers are guilty of any form of corruption, they deserve what is coming to them. However, we must be mindful of having fair process. We must also be mindful of victimising innocent people for no good reason, and no good reason has been provided so far. Members in this House must be mindful of the emotional and psychological impact it has clearly had on these officers, their careers and their families. I could go into a lot more detail, but I will not at this time.

The impact of the actions of the ACC and of the former Commissioner of Police, Mr Falconer, has been severe in this case, and it must be taken into account. These officers deserve to have their day in court. They should be able to have these

charges heard and to have a jury decide whether Mr Falconer has broken the law. I understand that the charge against Mr Falconer has been brought under section 81 of the Criminal Code. An alternative charge could have been brought under section 54 of the Anti-Corruption Commission Act, which deals with unlawful conduct. However, I point out to the House that section 81 is the most appropriate section under which the charge should be brought, because Mr Falconer is alleged to have breached the law as a public officer. Section 41 of the DPP policy and guidelines states -

> While the circumstances which govern particular indictments are infinitely variable the following guidelines should always be considered:
>
> (a) the indictment should best express the essential criminality of the alleged conduct. Normally the count of the indictment will reflect the most serious offences revealed by the evidence.

That is why section 81 is the appropriate section under which Mr Falconer has been charged. There is a significant interest in justice for these six individuals and their families and a significant interest in terms of the general community.

MS MacTIERNAN (Armadale) [11.25 am]: I take this opportunity to raise the issue of the realignment of the Great Eastern Highway in Tammin, the fallout from that realignment, the circumstances that have led to the realignment of that road and my grave concerns about the way an ordinary small business person is being treated and whether there has been some grave impropriety in the dealings of government in this whole process. Members who are followers of the happenings in Tammin will be well aware that shortly after the former Minister for Transport, Hon Eric Charlton, finished his term in July 1998, he announced that he was putting together a consortium to develop a roadhouse in the area of Tammin. At first blush, one may say that there is nothing wrong with that. The former Minister for Transport is very committed to Tammin and, as he says, is prepared to put his money into Tammin to keep it alive and thriving. I have no particular problem with that if that really represents how these circumstances arose. However, I think that the real story is somewhat different.

Once again, like Main Roads Western Australia, we have been engaged in lengthy correspondence with the freedom of information officers of Main Roads when attempting to get access to the documentation surrounding this arrangement. We have also made a freedom of information application to the Tammin shire. We have found, as we have always found when trying to investigate these matters, that we put in our FOI application to Main Roads and we received a few documents. This time, because we also made an application to the Shire of Tammin, it became quite evident to us that we had been given only a small sample of the documents which related to this particular road realignment. Indeed, we then had several more tries at extracting this information from Main Roads. I gather that Main Roads works on the principle that when I put in these applications, it will give me as little as possible and hope that I will just go away in relation to these issues.

Mr Barnett: Do you think you will be invited to the Main Roads Christmas party this year?

Ms MacTIERNAN: I do not see my job as trying to get my nose in the trough; I see my job as being here to scrutinise and analyse government performance. For the minister's edification, many Main Roads employees and former employees absolutely support what I am doing. They are appalled at the mismanagement and corruption into which this department has descended under the Government's reign. The introduction of massive contracting out without the imposition of adequate accountability mechanisms has resulted in a once proud department dismembered, dismantled and deskilled. While I cannot imagine getting an invitation from the top brass or the commissioner, I may well get one from the few foot soldiers left in the department. I know that would not satisfy the Minister for Resources Development - his interests are clearly at the top end of town and with the big brass of the western suburbs. That is not my interest. I will not get an invitation to the Christmas party, but that is not my aim.

I will set out some of the reports that have appeared to date in the Press giving an account of the former Minister for Transport's approval of the realignment of the road which led to the existing Tammin roadhouse being demolished and which then created the opportunity for the former minister to buy the land left over and build a new super -

Mr Trenorden: That is nonsense! Have you ever been to Tammin?

Ms MacTIERNAN: What is nonsense?

Mr Trenorden: There are more vacant blocks on the highway at Tammin than you can poke a stick at. The insinuation that that site is of any commercial interest to anyone is arrant nonsense. There are at least 30 sites within half a kilometre of town on which a roadhouse could be built.

Ms MacTIERNAN: This is extraordinary. The member for Avon is contradicting the information given by the former Minister for Transport and the shire clerk. Their version of the story was reported in that estimable rag, *The West Australian*. They said that Co-operative Bulk Handling Ltd wanted to expand its facilities, and that that could be done only if the Great Eastern Highway were realigned. The existing roadhouse would need to be demolished if that realignment were to go ahead. They did not think about that; they forgot that that would happen. They realigned the highway and realised to their horror that the roadhouse was gone and that they would have to get some money together to build a new one. How could they have been so silly? They soon realised that a bit of land was left over from the Main Roads project, so they decided to buy it.

Mr Trenorden: Have you ever been there?

Ms MacTIERNAN: No, I have not.

Mr Trenorden: You are making a fool of yourself. The building is under way.

Ms MacTIERNAN: I know, and it is due to be opened on Melbourne Cup day. I doubt I will get an invitation to that event either!

This is the account given by the former Minister for Transport and the shire clerk on how the existing roadhouse was demolished and they then purchased the spare land to develop a new roadhouse. They would not have wanted to develop a new roadhouse if there had been one next door.

Mr Trenorden: Do you realise that the existing roadhouse has been shut more often than not in the past 10 years because it could not attract business?

Ms MacTIERNAN: No.

Mr Trenorden: You do not want to know that. You are muckraking.

Ms MacTIERNAN: I will explain the situation to the member for Avon, who is very strident in defence of his friend. I admire his loyalty if not his logic.

If it were simply a case of the "Tammin tiger" making a quick quid out of building a roadhouse, it would not worry me.

Mr Trenorden interjected.

Ms MacTIERNAN: Not if you set it up correctly.

This is about the intimidation and bullying that has occurred in association with this roadhouse. I will quote what happened to Kevin and Ronnie Gors, who were looking for a service station. Members should bear in mind that Tammin had a Peak roadhouse and a BP service station. Kevin and Ronnie Gors were interested in buying the BP service station. In February 1998, the then proprietor told them that the existing roadhouse would be demolished. They thought it was a great business opportunity to take over the service station and develop it into a roadhouse. The member for Geraldton is nodding. He is a businessman and he understands how these things work.

In the first week of March, the Gors rang Mr Matthews, the shire clerk, and asked whether it was true that the existing roadhouse would be demolished. They were told that it would be demolished and that the shire was keen to have another roadhouse; no-one had made an application to build another one but such a development would be approved. Given that information, they decided to buy the service station, take it over and redevelop it as a roadhouse. So far so good; no problems. They signed up and took over in late April. In early May, they were visited by councillor Joe Hewber on behalf of the town.

Mr Trenorden: He has every right to do that.

Ms MacTIERNAN: Mr Hewber pointed out that the Gors were new in town. It was like something out of a wild west movie. He pointed out that they should understand how the town works - it is very cliquey and seven families play an important part. If they got on the wrong side of them, they would be history.

Mr Trenorden: That is disgraceful!

Ms MacTIERNAN: It is disgraceful! We are at one.

Mr Trenorden: I know Joe Hewber personally, and he is not that type of person. You are getting into the gutter.

Ms MacTIERNAN: I will not stand by and let ordinary, everyday Australians be bullied by the bunyip aristocracy.

Mr Trenorden: Do you know who he is?

Ms MacTIERNAN: I do not have a clue about him, other than the fact that he is a councillor.

Mr Trenorden: Exactly! You are very ordinary.

Ms MacTIERNAN: He explained the history of Farmdale Pty Ltd. Farmdale is an important company formed by a consortium of farmers who wanted to ensure that the town survived. Those involved did excellent work, including buying the hotel and reopening it. In fact, Mr Hewber told the Gors that Farmdale had originally set up the BP service station. There is no problem with Farmdale's doing any of those things. However, Mr Hewber went on to say that the Gors would be very unwise to redevelop their service station as a roadhouse because another roadhouse was planned. This consortium, including members of the seven major families, wanted to build a roadhouse to replace the existing roadhouse. These people, who had come into town with the best of intentions to develop a new roadhouse, suddenly found themselves on the receiving end of a very strong warning that they were running counter to the interests of the seven big families, and if they took them -

Mr Trenorden: You have no idea what you are talking about - none whatsoever. Have you checked this information with other people in Tammin? You are making a fool of yourself.

Ms MacTIERNAN: Their information is consistent.

Mr Trenorden: You are making a fool of yourself.

Ms MacTIERNAN: That can be the member's view.

Mr Trenorden: It is.

Ms MacTIERNAN: I will set out the arguments.

Mr Trenorden: You do not have an argument to set out.

Ms MacTIERNAN: That is my motivation for doing this. It is an outrage that those people are being treated in this way. If another roadhouse was needed and quite innocently a group of farmers or some other group of people got together to build a new one and make a quid out of it, I have no problem with that. The way in which Kevin and Ronnie Gors have been treated in this matter is the motivation for bringing it forward.

We have been told that this whole proposal was generated by CBH wanting to have a strategic receival point at Tammin. It is interesting that when we finally got hold of information about the strategic receival point, we found no mention of Tammin.

Mr Trenorden: Why is it being built then?

Ms MacTIERNAN: I will explain that. This document came out in about June or July 1997. It made no mention of Tammin as a strategic receival point. It was to be a non-strategic receival point, and as such it would not require expansion. I cannot argue that this is conclusive because we have not yet got a full set of documents and many of the documents we have are not dated. Some documents dated January 1998 indicate that CBH approached the then Minister for Transport to see if the road could be realigned in order to provide for an expansion of the CBH facility. However, on balance the documents seem to suggest that the impetus did not come from CBH but rather from Main Roads acting on the instructions of the then Minister for Transport.

Mr Trenorden: On what logic?

Ms MacTIERNAN: I do not know the logic, but I will quote a letter of 20 June 1997 which refers to the minutes of a meeting between CBH personalities, certain councillors and Main Roads staff. The Main Roads project development manager writes -

> I indicated that we may be amenable to realigning the highway to improve the intersection and eastern end approach into Tammin, particularly if CBH had a requirement for additional land at the eastern end of their facility. I advised that we've had discussions with CBH's Manager Support Services Colin Barry, who has not as yet indicated a requirement.

At that stage they said they were still considering whether they needed to do anything at Tammin. Another document dated 24 November indicates that they were discussing with CBH the possibility of a CBH expansion and that this in turn followed an inquiry from the then Minister for Transport as to whether there was any scope for the expansion. The fact that the then minister may have wanted his home town of Tammin to become a strategic receival point is not necessarily a bad thing.

Mr Trenorden: It is nothing to do with the then minister. CBH is a private entity.

Ms MacTIERNAN: I am trying to set out for the member for Avon that certainly from looking at these documents there is every indication that the likely scenario is that CBH decided that Tammin was not to be a strategic receival point -

Mr Trenorden: Absolute garbage.

Ms MacTIERNAN: Here is the document. The member has a copy of it. He should have a look at it.

Mr Trenorden interjected.

The ACTING SPEAKER: Order!

Ms MacTIERNAN: A likely scenario seems to be that the then Minister for Transport, who was a resident of Tammin and represented the area, had approached CBH to encourage it and he was then prepared to use his power as the then Minister for Transport to have the road realigned to provide for that expansion.

Mr Trenorden: Have you seen the road? It was an S-bend and is now a dead straight piece of road. It was a dangerous piece of the Great Eastern Highway.

Ms MacTIERNAN: All the documentation refers to the realignment being necessary to provide for the expansion of CBH. It does not refer to the realignment being necessary to iron out an S-bend.

Mr Trenorden: A moment ago you read it out to me and the Parliament. Main Roads was not against the road being altered. The reason it was not against the road being altered was that there was an S-bend. You have never been there.

Ms MacTIERNAN: That was not the point. We are seeing a local member using ministerial power to enhance the prospect of his local town. That may raise a few questions but I do not really have a problem with that. If there was a good argument for Tammin becoming a strategic receival point and if the road could be realigned appropriately, that is not a problem. However, we are rather concerned about how this project was funded and have yet to get to the bottom of it.

We note some fairly odd documents here in which people are querying how it will be funded. I have a series of emails, one of which reads -

> Norm, I refer to your proposed works at Tammin on GEH and local roads (Golflinks Road) that are associated with grain carting to a new wheat bin? (CBH). Doug (in your absence) provided me with the current status of the works and this was passed on to Des Warner . . . You may need to discuss further with Des as my understanding from him is that (the honourable Minister for Transport) wants this work to proceed ASAP.

The reply reads -

> Bob, we will need to fund in the meantime from State. Don't let the specific source of funds hold up the work on the ground.

Therefore, they do not know where the money is coming from, but the then Minister for Transport is pushing like mad. As a result they are saying not to bother to sort out where they will get the funding for the road, but to go ahead and build it.

Another document is from Mr Vickery, who is the project services manager. He writes in November that he advised a meeting -

> . . . that Main Roads had no immediate plans to modify the alignment at the eastern end of Tammin and any realignment to accommodate CBH may involve negotiations with CBH on contributing to the cost.

What this document is really saying is that Main Roads did not have any other plans to realign the road for the other reasons that the member for Avon indicated -

Mr Trenorden: I bet you there were. Go to the Northam office and ask.

Ms MacTIERNAN: This is what the memorandum to the regional manager said, so we must give it some status. He is saying that if Main Roads is to do this to accommodate CBH, it must ask CBH to chip in to the cost, which is fair enough. Yesterday we asked a question in the upper House of the Minister for Transport. We asked if CBH had put any money into this proposal. The answer came back, no. I reckon it was because it was not CBH's idea to expand the receival point but the idea of the then Minister for Transport, because obviously it would mean a lot more vehicles entering Tammin.

Now we get on to the story of the development of the roadhouse and how it fits into the picture. Bearing in mind what I said before, the argument being mounted by the ex-Minister for Transport is that he and his friends on the Tammin Shire Council and his friend Mr Matthews, who is the chief executive officer, did not even think about this proposal or that there would be a problem with the roadhouse until the plans were well under way. The documents do not show that is in any way a plausible argument; indeed, a number of documents that I have here show clearly that the former Minister for Transport was well aware that this proposal would see the end of the existing roadhouse.

Mr Trenorden: Of course, because on the other side of the wheat bin is a railway line. There is nowhere else for the road to go.

Ms MacTIERNAN: The argument being made by the former minister and by the Shire of Tammin, on the analysis of the member for Avon, carries no weight or plausibility. I have a couple of documents here that confirm that. One is undated, but a hand-written note dated 2 February 1998 is appended. It also indicates that a copy of the document was given to the former Minister for Transport at Tammin on 31 January 1998. In this material reference is made to the road being moved away behind the existing roadhouse. It is clear from this document that two options are given - one would affect the existing service station and the other would not.

Clearly, the former Minister for Transport saw this document. Even though this is an operational matter, the decision about which realignment would be taken in that instance was taken by the former Minister for Transport himself. The document refers to the Minister for Transport requesting that progress be made on the final design based on option C. Two options were given to the minister, both of which clearly took the road from the existing roadhouse. It was evident on 2 February 1998 that would indeed occur.

Mr Trenorden: What is your point?

Ms MacTIERNAN: The point is that the explanation by the then Minister for Transport and the shire chief executive officer was that they did not even think about the roadhouse or know that it would be affected until they had the planning well and truly under way. However, it is clear from this documentation that they knew from the outset that the deal involved the development of a roadhouse.

Mr Trenorden: What is the point?

Ms MacTIERNAN: The point is that it appears that the former Minister for Transport, while still the Minister for Transport holding meetings of these groups in his ministerial offices and personally making decisions on the precise nature of the realignment, knew that a roadhouse development was planned.

Mr Trenorden: What is the point?

Ms MacTIERNAN: The point is that the former minister's account was incorrect. He said he did not get involved in this until after he had left politics. These documents demonstrate his paws were all over it. He knew well and truly that the roadhouse would be developed while he was the minister.

Mr Trenorden: For what purpose?

Ms MacTIERNAN: So that the former minister could buy that piece of land and develop that super-duper roadhouse.

Mr Trenorden: You show your ignorance. There are 20 sites in Tammin on which you could put a roadhouse of equal value to that site. It is a country town that is almost empty. There are more vacant lots in Tammin than you can poke a stick at, all on Great Eastern Highway.

Ms MacTIERNAN: Okay, why did they say that it was the -

Mr Trenorden: We hear this diatribe from a person who has never been to Tammin in her life.

Ms MacTIERNAN: The member for Avon does not know that.

Mr Trenorden: You have a personal vendetta.

Ms MacTIERNAN: I do not have a personal vendetta, but I am concerned about the way Ronnie and Kevin Gors have been treated.

Mr Trenorden: Anyone who went there and spent two minutes investigating your remarks would end up laughing their heads off.

Ms MacTIERNAN: Bearing in mind the former minister said he did not get involved and knew nothing about the roadhouse until after he had left politics, I have an undated document, presumably reporting on a meeting, which shows that on 27 May 1998 the Minister for Transport advised the working groups that Main Roads Western Australia would arrange the purchase of all land, including the existing service station, and facilitate its disposal to CBH at appropriate going rates, but was undecided then whether Main Roads would arrange the demolition of a service station prior to disposal to CBH. This is not about being alarmed because the former Minister for Transport wants to be involved in redeveloping Tammin; it is more a matter of some very grave questions relating to the circumstances surrounding the issue.

MR BARNETT (Cottesloe - Leader of the House) [11.54 am]: I understand that was the last speech to be made in the Address-in-Reply. I thank members for their responses to the address by His Excellency.

A number of issues were raised regarding individual constituencies and I am sure respective ministers have taken note of them and will take follow-up action in a number of areas.

Question put and passed; the Address-in-Reply thus adopted.

GAS CORPORATION (BUSINESS DISPOSAL) BILL 1999

Second Reading

Resumed from 14 September.

MR BARNETT (Cottesloe - Leader of the House) [11.56 am]: I thank members on both sides of the House who spoke on the Bill for the privatisation of AlintaGas. The legislation is clearly significant. It will implement a decision by the Government to proceed with the privatisation.

I will briefly restate some of the background and the reasons for and the policy issues behind the sale of AlintaGas. That will address many issues that members raised. I will then give more attention to specific issues. It is important we see the sale of Alinta in the broader context of what is occurring within the energy sector in this State.

Since the election of the Government in 1993 we have had a clear set of principles within the energy sector. The first was to see the growth of the sector; the second was to encourage competition; the third was to achieve price reductions; the fourth was to maximise economic development in this State by combining our energy resources with other natural resources, particularly mineral resources; and the fifth was to make use of private sector investment to achieve those objectives wherever possible.

Natural gas has a significant role within our state economy. Members should be conscious that Western Australia accounts for 80 per cent of Australia's proven gas reserves. In that sense, its availability possibly represents our single most important economic advantage. A number of quite rapid changes have taken place within the energy sector, particularly with natural gas. In 1996 the goldfields gas pipeline was commissioned. The Pilbara energy project that saw the gas pipeline extension from Karratha to Port Hedland was undertaken. Both projects were under state agreement Acts, but private sector investment put them in place.

Last year the Dampier-Bunbury natural gas pipeline was sold for $2.4b. That result was important, but it was also a noteworthy example of why it is necessary to resolve policy issues prior to making decisions to sell or privatise assets. In the sale of the Dampier-Bunbury pipeline a number of policy issues were thought out and implemented prior to the sale. From my perspective that was one of the keys to the success and the achievement of such a high price. Apart from the $2.4b in proceeds, the sale included a reduction in transport tariffs of 18 per cent over three years. A decision was made to widen the easement from 30 metres to 100 metres to allow future gas pipelines to be constructed, and a commitment was made by the buyer of the pipeline to expend $870m over the next 10 years in expanding the capacity and ultimately duplicating to a parallel pipeline system. Over the past week or so the gas pipeline has been completed from near Geraldton to Mt Magnet and the Windimurra precious metals vanadium project - a distance of more than 300 kilometres - which brings gas and cheaper power generation into that area. The pipeline has also been extended to Busselton and prospectively it will be extended to other areas of the State.

The other aspect of policy relates to the regional power for isolated areas, where private sector investment has been encouraged through new power generation. Much of that will involve natural gas and perhaps some pipeline extensions. With the Collie power station and private power generation, there has been an enormous amount of investment in the energy sector in this State, most of it private and most based on the use of natural gas.

The other dimension of policy, beyond expanding capacity with economic growth, relates to the introduction of competition in an attempt to drive down prices and improve the quality of service to all concerned. Competition has been introduced through a series of steps. There is no magic formula for going from a controlled and regulated market to an open and

competitive market. Economic theory has nothing to say about that. It is a matter of managing a process of change. There are many critics and suggestions about how it should be done, and I think the Government has done it very well. Others may argue it has been too slow. History will be the judge.

The first introduction of competition was the splitting of the former State Energy Commission of Western Australia into Western Power and AlintaGas, which immediately produced a clear gas versus electricity competition. The second and most significant step was the renegotiation of the North West Shelf gas contracts which allowed direct dealings between gas producers and gas customers, and effectively broke down a system under which there had been a dominant producer, the Government as a major player in the middle, and one or two dominant buyers. It has brought new participants into the system - gas producers, gas transporters and gas customers - and the price of gas for major industrial customers has fallen 50 per cent in the Pilbara and around 30 per cent in the south west.

The other aspect of change relates to enforcing those competitive or structural moves through legislative changes. They are difficult and complicated changes. The Energy Coordination Amendment Bill, which was passed in June this year, allowed for the licensing of independent gas distributors. It allowed not only AlintaGas, but also other players to distribute gas systems in regional and metropolitan areas and to be licensed to do so. The Gas Pipelines Access (Western Australia) Bill, which was passed in February this year, set in place the national access code. That has been developed over several years to provide the terms and conditions for third party use of gas infrastructure. It also established the position of Gas Pipeline Regulator. In WA a unique feature of the Gas Pipeline Access Regulator is that he will look after both distribution and transmission lines. This State has seen new investment, structural change which has introduced competition, and legislative change which allows independent players to come into the market and sets up a regulatory regime under the national access code.

Mr Thomas: We still have the least competitive energy system in Australia and the most expensive electricity.

Mr BARNETT: The member for Cockburn continues to say that.

Mr Thomas: Because it continues to be true.

Mr BARNETT: The member for Cockburn will continue to bleat about this. He might also contemplate why almost all the energy investment in Australia is taking place in this State, and why more than half of mining and petroleum investment is taking place in this State.

Mr Thomas: Because the resources are here; it is not because of your policy.

Mr BARNETT: The reason for this introduction to the issue is that the privatisation of AlintaGas must be seen in the context of what is taking place in the energy sector. It should not be seen by itself, but the sale must be justified by itself. The Government decided in December 1998 to sell 100 per cent of AlintaGas.

Mr Thomas: Following Labor Party policy.

Mr BARNETT: So it was Labor Party policy to sell 100 per cent of AlintaGas?

Mr Thomas: No.

Mr BARNETT: That is what the member said. I hope the record has that.

Mr Ripper: He was referring to the pipeline.

Mr BARNETT: The decision was made after consideration by the Government and followed the sale of the Bunbury to Dampier gas pipeline. A sale steering committee was established under the chairmanship of Dr Des Kelly, and included the chief executive officers of AlintaGas, Treasury and the Office of Energy. Financial and professional advice was provided by Deutsche Bank, and a two-stage process was set up.

I will first describe AlintaGas as a business. AlintaGas was created on 1 January 1995, following the break-up of the State Energy Commission. Its current sales are around $317m; its pre-tax profit is around $32m; it carries debt of $232m; it has a customer base of 400 000 customers; it employs 420 people; and it operates 10 125 kilometres of distribution pipeline. In terms of the number of customers it is similar in size to the gas distribution utilities in Melbourne. However, although the number of customers is the same, because of the difference in climatic conditions, AlintaGas sales are one-third the volume of gas sales of similar organisations in Victoria.

The sale is also taking place in the context of a phased deregulation of the market. This is a critical point. Following the disaggregation of the North West Shelf contracts, we have started a phased deregulation. At the moment, any gas customer consuming more than 250 terajoules of gas a year is in an open, competitive and contestable market. From 1 January 2000 that threshold will come down to anyone consuming more than 100 terajoules a year; from 1 July 2002 it will come down to anyone consuming 1 terajoule a year; and from 1 July 2002 it will be absolutely open access. By July 2002, which is not that far away, there will be absolute freedom of competition in the gas industry. It will be totally deregulated down to the level of the individual household. At it stands, AlintaGas accounts for 27 per cent of gas sales within Western Australia. The residential sales account for just 4 per cent of gas sales. Currently in the market 93 per cent of all gas sold in WA is sold into an open and competitive market; that will reach 96 per cent by 1 January 2000. AlintaGas' so-called protected market is about 4 per cent of gas sales at the moment, and in July 2002 there will be no protected market at all. The deregulatory timetable is already in place and is understood by AlintaGas and the wider market.

Issues related to policy are best addressed prior to a sale process being enacted. It is important to recognise those policy issues upfront and to deal with them in a logical way. The Government has recognised all the issues and if anything new

arises, it is treated as a policy issue and dealt with quickly and appropriately. Some key issues must be considered; one clearly is the sale process on behalf of the State. The Government is keen to maximise returns; it is not the sole objective, but it must be a prime objective in any privatisation. The Government is also keen that public shareholding be maximised, particularly among Western Australian householders, financial institutions, superannuation funds and so on. The Government is keen that AlintaGas remain as a Western Australian-based company. It is conscious of elements of consumer protection, so that householders and small business cannot be disadvantaged. We hope they will benefit from the process, but the issue of consumer protection is important, as is the welfare of the employees of AlintaGas. There may be others, but these seem to be the major policy issues.

One of the first issues to approach was the type of sale. There were options. The simplest process, which would achieve the highest price, is a trade sale. There could be a BankWest version with a trade sale; that would require the buyer to float off shares which would provide the second highest level of return. There could be a full public float of the whole 100 per cent which would result in a return estimated by our consultants to be about 17 per cent below that which we would receive from a trade sale. There are therefore the extremes of a simple trade sale versus a full public float. A full public float would represent about 17 per cent less in sales proceeds which may translate broadly to around $170m; that is not something to be ignored but a significant factor to be considered.

A decision was made, after a great deal of analysis, to proceed with the cornerstone initial public offer arrangement; in other words, to sell about 40 per cent to a trade buyer through a competitive process and then float off the remaining 60 per cent in the marketplace. That is estimated to result in total sale proceeds of about 8 per cent less than the proceeds from a trade sale. We have not maximised value. We have given away some value in exchange for having a wide public ownership and some of the other objectives of retaining the business in Western Australia. However, these are complicated issues.

The proposal therefore is a cornerstone sale by tender of no more than 49 per cent and then floating more than 51 per cent, probably a 40-60 split. The wide public offer will occur giving opportunities to employers, customers - particularly the West Australian public - and institutions in Western Australia and elsewhere to buy into it. We are close to being able to appoint the lead managers of the float process. The Government has particularly focused on ensuring Western Australian brokers have a lead role in that process with the skill of brokers to provide opportunities to maximise returns in sales to the public at large and to ensure a strong body of institutional support. It is important for the institutions also to share in the ownership to provide strength to the market price. There is no point in simply selling to the public if the public will lose money. We want to ensure that the market price of the share is strong. Again, those aspects of the sale must be carefully managed.

Mr Ripper: What is the likely cost of fees, charges and commissions by the brokers and managers?

Mr BARNETT: They will be extensive. There may be a financial restructuring of debt which will carry some charges. The total costs will be about $20m, much of which is related to the restructuring of the debt of AlintaGas and which will be recouped through the sale process. I will be able to provide more accurate figures later.

The size of the float, if we assume that AlintaGas is worth around $1b, would probably be a debt to equity ratio of about 60:40. We may have $400m worth of equity; the cornerstone investor may pay $160m in equity; and the float would be $240m, which would amount to about 100 000 shareholders. It is not a huge float but one which will receive strong support from the Western Australian public.

The issue of market structure was mentioned repeatedly during the second reading debate and whether AlintaGas should be sold as it is or further broken up into a pipe distribution business and a retail sales business. That has been considered in detail and the strong view is that it should be sold as a staple business; in other words, ring fenced but sold as one entity. I make the point that no other gas utility in Australia has been disaggregated to separate retail from distribution. The State has already, in a sense, disaggregated AlintaGas by selling off the Dampier-Bunbury natural gas pipeline. Most of the value of the business is in the distribution side rather than the retail side; however, I will return to that issue as it was discussed at some length.

The pricing regime is important, and this is really the issue of protection for consumers. As an act of faith we hope that consumers are protected as there will be a competitive market structure with a number of gas producers, large numbers of gas buyers, different gas transporters and potentially different gas retailers which will provide a natural degree of market protection. In addition, the regulatory regime under the national access code has been put in place to look after the interests of both household and business consumers. In addition, we have also included price controls during the initial years to ensure that protection is in place. As part of the sale process for householders and small businesses, the tariff customers operating in the regulated market, there will be no price rise in 1999-2000 or 2000-01. In the year 2002-03, any price rise will be limited to the consumer price index of that year, estimated to be about 2 per cent. Thereafter, any increase in gas prices to any individual will be restricted to the CPI for that year plus 2 per cent. In reality, we expect the average price rise to be around the CPI and, for certain classes of customers, we expect there to be significant falls in the price of gas under the combined impact of deregulation and privatisation. We expect to see continuing real price declines for householders. Indeed, during the time of this Government there has been only one increase in the price of gas in one year when we essentially introduced a different structure with a two-part tariff - a fixed charge and a variable charge based on consumption. That was equivalent to about a 2 to 3 per cent increase in price in one year.

The estimation from the financial consultants is that the small business sector will be the big winners and the main beneficiaries of this privatisation and deregulation. It is anticipated through the period up to 2007 that, in real terms, small businesses will receive a 47 per cent reduction in gas tariffs. I stress that consumers are protected by market competition, by the regulatory regime already established under the national access code and are further protected by price controls to be implemented. All of those aspects will look after consumers.

There is also a responsibility to look after employees and much work needs to be done on that. I will stand on the record at the way employees of Western Power and AlintaGas have been treated. They have been handled with care, particularly during the sale of the Dampier-Bunbury natural gas pipeline. However, I am conscious of a whole host of issues, particularly relating to employees who are members of old state superannuation schemes; that is something we will negotiate during the sale process.

Another key objective is to keep AlintaGas as a West Australian-based company; there are a number of ways of achieving that. We hope the majority of the share ownership - the public float - will be based in Western Australia through individuals and institutions. Initially, the share ownership will be limited to no more than 5 per cent, apart from the cornerstone investor on which there will be a two-year limitation. The business will be required to be incorporated in Western Australia, to have its head office in Western Australia, and the majority of the board and the CEO will be required to be resident in Western Australia. A range of measures are required which are limited in application, admittedly, to ensure that as this business is established, it is a West Australian publicly-listed company, home quartered and based in this State. I believe that will be achieved and sustained.

I return to a couple of specific comments dwelt on extensively during the debate. A comment was made a number of times that the Government is selling AlintaGas to help budget difficulties and is ignoring the future earning stream of AlintaGas. A very detailed financial analysis has been undertaken by Deutsche Bank looking at the value of AlintaGas retained in government ownership compared with the value of AlintaGas if it is privatised. The analysis indicates that the net present value of AlintaGas, if retained in government hands, is probably about $700m. We are aiming to receive sale proceeds of the order of $1b; I am probably more optimistic than some other members of the Government but that is the objective. Therefore, there is expected to be a significant difference between the total proceeds received through sale and the financial value of AlintaGas to the State if retained in public ownership. That analysis has been done and was one of the early steps in the sale process. One of the first things the Government did was to convince itself that a sale would be a net benefit to the State. The financial analysis clearly indicates that it is, and that net benefit may be of the order of $300m.

The point was also made that Western Australians already own AlintaGas. In a sense they do, but they also own AlintaGas' debt. If AlintaGas were sold, although it would go from public to private ownership, with much of that private ownership being Western Australians, what would be lost for the wider community? AlintaGas would be privatised; a gas distribution system would still be operating in the same way; and the customer would see no difference and hopefully would find more competitive pricing and a wider range of services offered in association with gas sale and distribution. AlintaGas will be there, the pipes will be there and the obligations to extend, expand and service customers will be there. However, the difference will be that debt will be retired, and the State will have proceeds which it may spend on other things, and I will return to that point later. AlintaGas will not be lost. It will still be a Western Australian company, but one which is owned more directly through private ownership rather than in the indirect form of public ownership.

I return to the point that AlintaGas is being privatised as a vertically-operated monopoly. There are two issues: First, is AlintaGas a monopoly? The member for Cockburn says that AlintaGas is a monopoly. I will tell members the economic definition of a monopoly: It is a single seller of a product for which there is no close substitute. What are the substitutes? What are the competitive products? Gas faces intense competition from electricity. It is not in a monopolised situation. AlintaGas' sales also face direct competition from other gas sales. Already there is direct competition in 90 per cent of gas sales. For medium to larger consumers of gas, it is a competitive, contestable market. With the deregulation timetable, all gas sales, right down to the individual household, will be contestable. AlintaGas' sales face competition from electricity and it faces sales competition from other gas operators, and that is already happening. AlintaGas is in a competitive situation. At this point its regulated market share is 4 per cent. It is not a dominant player in any sense. There are large numbers of small consumers called households.

Mr Thomas interjected.

The ACTING SPEAKER (Mr Sweetman): Order! The member for Cockburn is interjecting while not in his seat.

Mr BARNETT: However, the real action, the volume of gas sales and the investment and business interests are in the larger end of the market. If members are concerned about a monopoly, perhaps a concern could be argued about consumers. Mechanisms of the regulator, competition and consumer protection through price controls have been put in place to look after the small end of the market. Competition is rampant in the gas industry at the moment. It is a highly competitive industry. This Government has also deregulated the liquefied petroleum gas industry, which, until the beginning of 1998, could not sell LPG into the metropolitan market. Those things are in place.

Mr Thomas: Can you give us a definition of a natural monopoly?

Mr BARNETT: A natural monopoly is a monopoly formed when the long-run average cost continually declines; in other words, a natural monopoly is one in which as the volume of business grows, the average and marginal costs of delivery continuously falls. I argue that that is not the case in a business based on the distribution of small pipelines around residential areas. There is no great fall in cost of supply as the size of the business grows. It is not a natural monopoly at all.

Mr Thomas interjected.

The ACTING SPEAKER: The member for Cockburn will come to order!

Mr BARNETT: If the member looked up any first year economics text book, he would find that the definition of a natural monopoly is one in which the long-run average cost continually falls as output grows.

Other aspects of the vertically-integrated business include the expense of separating the two businesses. If retail were separated from distribution, we would have all of the legal, corporate expenses of establishing two entities. That would not be insignificant. Indeed there was a lot of public criticism when the State Energy Commission of Western Australia was split into Western Power and AlintaGas. People complained about two levels of management and two head offices.

Mr Ripper: Two sponsorships.

Mr BARNETT: Yes, and all the rest of it. If AlintaGas is split further - the pipelines have already been split into Epic Energy - there will be an outcry about why another two organisations and bureaucracies have been created. There are substantial costs.

Another aspect is that the business is worth more stapled together. We are about trying to maximise proceeds. Estimates are that if AlintaGas were broken up into the distribution business - the pipeline business - and the retail sales business, the loss of proceeds from sales would be about $70m to $110m. There is a very substantial financial penalty on the State if AlintaGas is further broken up. One might ask what will be gained. How will we gain anything more when there are other competitors, a regulator is in place and price controls protect consumers? If we then go to the next step and break it up, $70m to $110m will be forgone, and for what? There will be no obvious return to anyone, and there will be no public interest in that. No gas utility in Australia has been split to that level. All of them operate as retail and distribution. The largest one, AGL, has always been retail and distribution. Members are saying that we should further break up one of the smallest utilities in Australia and duplicate all the management structures.

I will make another point before I respond to the member opposite. Deutsche Bank looked at this issue, and the Allen Consulting Group was commissioned to report on and study the issue of whether AlintaGas should be broken up further to see whether it complied with national competition policy. That showed that the ring fencing provisions under the national competition policy would be met. There was no requirement to further break up AlintaGas under national competition policy. The whole thrust of the national competition policy as it applies to gas, and which took years to set up a third-party access regime and a regulatory regime, allowed for the ring fencing and appropriate operation in this way. Now members are saying that we should throw out all the work that has been done around Australia for the past three years, and which was endorsed by the federal and every state and territory jurisdiction. It is not necessary. No other gas utility in Australia has been split up like that, and if we did it, we would simply lose $70m to $110m. That is a price that the State is not prepared to pay.

My final point is that the main value of AlintaGas currently is in the pipeline distribution business; that is the principal asset. The retail business is of lesser value. Given that the retail part carries long-term contracts, including some of the remnants that came out of the disaggregation in the North West Shelf, it is a realistic probability that we would find a bizarre situation. If it were split and privatised, we would certainly be able to sell the distribution business - the pipeline business - but we may not be able to sell the retail business. The distribution business would be privatised and the Government would be left competing on the retail sales side. That is exactly the wrong outcome. All of those issues have been looked at very carefully.

Mr Ripper: Firstly, we do not agree with the privatisation. Taking up the points that you are raising, would you release that financial analysis or are you only able to quote from it? Secondly, there must be a reason from the buyers' point of view why it is worth more as an integrated operation. They expect to get more returns from it. How they will get those returns is an interesting question. Thirdly, did you consider breaking it up and then having a trade sale, and what would be the trade-offs as a result of that?

Mr BARNETT: There are some advantages in keeping the business together, not in the sense of transgressing the ring fencing provisions, but simply in terms of administration. Members must recognise that AlintaGas is a small business; it is not a big business. There are costs of breaking it up. Two corporate structures must be set up. The retail business that remains would be highly exposed. The retail business will face the intense competition. The distribution business will face competition, because independent distribution lines will go into commercial areas and probably into new urban subdivisions. Even the distribution system is not safe.

Mr Thomas: It will not service the same customers.

Mr BARNETT: Yes, it may well do. I would expect, for example, that two or more pipelines may go into the Canning Vale industrial area. An urban subdivision developer may do a deal with a totally independent pipe gas supplier, who will build his own gas pipeline. Those pipelines may well go in side by side. Members should not believe for a moment that it is particularly difficult to put small-scale gas pipelines into planned urban areas. It may be economical for an independent gas supplier to put in his own distribution system, particularly where there are large customers, whether they be bakeries or hotels.

Mr Thomas: Give us an example in Australia where you have two competing distribution networks servicing the same residential households?

Mr BARNETT: Now the member is talking residential. It is unlikely to occur when servicing individuals but certainly this would happen when servicing individual suburbs. In terms of servicing the same customers in Canning Vale, one would find pipelines from independent pipeline operators. Members opposite talked about the Carnegie report. We have implemented the recommendations of that report. We have separated the gas business from the transmission line into what is now retail and distribution. We are introducing the ring fencing requirements according to the national access code. In fact we have gone further than what was recommended in the Carnegie report. The report recommended that competition contestability be introduced down to the level of 100 terajoules per year. We have decided to go down to absolute contestability; that is, right down to the household level with no restriction at all. We have set up a more competitive market

environment than was recommended by the report. If AlintaGas were to remain in government ownership in a deregulated market, there would be a real problem. Private competitors would feel most ill at ease competing in a market with a government-owned utility. That would create all sorts of dilemmas for them. They would feel far more comfortable if the distribution system were in private hands and regulated by government, rather than government being the owner and operator. It is clear how people will perceive this. This is a strong and reasonable argument for privatisation.

Mr Thomas: That is an argument against vertical integration.

Mr BARNETT: AlintaGas accounts for only a small part of the marketplace. The other competitors for gas supply already in the Perth area from whom we would expect competition are CMS Gas Transmissions of Australia, Arc Energy, Phoenix and Boral. They are already active players competing for customers in the Perth metropolitan area. With LPG coming in there will be further competition. I have mentioned price protection for consumers. Once AlintaGas is privatised and set up as a publicly listed company, other checks and balances will come into play. It will operate under corporation law and be subject to the scrutiny of its shareholders and consumers as well as to the activities of the regulator. It will also face competition from Western Power. Safeguards will exist in terms of market structure; that is, there will be competitors in different forms of gas and electricity; gas on gas competition; consumer protection; corporations law; and scrutiny by shareholders. For a relatively modest-sized, publicly-listed company with a wide share ownership, I point out to the member for Geraldton that it would hardly be possible to have a more competitive environment.

Mr Bloffwitch: It certainly would not.

Mr BARNETT: The Opposition talked about whether the Government had a mandate. We did not go to the last election saying that we would privatise AlintaGas. Let me make it clear, whether or not members opposite believe me, this was not something the Government had considered or intended to do by subterfuge after the election. We went into the election having made the decision to split AlintaGas so that we would have the retail distribution business and sell the Dampier-Bunbury natural gas pipeline - the transmission business.

Mr Thomas: That was Labor Party policy.

Mr BARNETT: Everything good that we have done the member says is Labor Party policy. Members opposite somehow do not want to know about everything that is good that we want to do in the future. The decision was made to sell the Dampier-Bunbury natural gas pipeline. That decision was financially successful; we received $2.4b which surprised everyone, including me. It brought with it increased investment in the pipeline and increased activity by gas suppliers and customers. Given that success, that we made the decision subsequent to the last election to accelerate to full deregulation, that the national access code was in place and that we had established a state-based regulator, it was inevitable that we considered whether to retain ownership of the remaining section of AlintaGas. The Government would face a serious conflict of interest if it were to retain AlintaGas retailing gas in a totally deregulated, competitive market. There would be numerous buyers and sellers and, because of government ownership, its commercial opportunities would be curtailed in a range of areas, perhaps extending beyond gas. It would be a dreadful conflict of interest.

Looking at all of those matters that were set up post-election, we made the decision to proceed with the sale. It was announced, I admit, in somewhat of a rush prior to Christmas, not because of any secret agenda but because I wanted the decision to be in the public arena before the end of last year so the community would have plenty of time to think about it. I did not want to introduce legislation in a rush. I wanted the process to start so that it could be done in an orderly and proper way. That has been done.

I have already talked about the issues of mandate and monopoly. I do not believe that AlintaGas is a monopoly. It has some degree of monopoly power as any business does, but enough checks are in place.

The distribution of the proceeds from the sale of AlintaGas is a matter for Cabinet but I can speculate a little. If we assume that AlintaGas is sold for $1b, which I think would be a good outcome and is the figure at which I have suggested future bids should start, its $232m debt would have to be retired. I would imagine processes within Government would decide how much of the balance, say $700m-$800m, would be used to retire general government debt.

Mr Osborne: You would find that the Labor Party would spend that five times over for you!

Mr BARNETT: Yes. We retired a significant part of direct and general government debt out of the sale of the Dampier-Bunbury natural gas pipeline. One can assume part of the proceeds will be used to retire government debt. I hope the temptation to rush out and spend it all is resisted. The proceeds should also allow some worthwhile works to be undertaken within the community. That is a decision for Cabinet to make at the appropriate time. As a result of the sale of the Dampier-Bunbury natural gas pipeline, two broader community benefits were achieved. A total of $100m was put into computers, technology and schools. We put 26 000 computers into government schools over four years and 6 000 computers into non-government schools. In a sense, the pipeline was a community-owned asset and the distribution of the proceeds went to everyone, both government and non-government schoolchildren. That program has very strong community support and is producing substantial educational benefits. It was decided to allocate $100m to the development of a convention centre for Perth. There is some controversy about that, but there is no doubt that the one piece of major tourism infrastructure lacking in this State is a convention centre. Such a facility is important to attract conferences and activities to Perth the benefits of which will then feed out into regional areas. No convention centre in Australia has been built without public support. They are in the nature of infrastructure items. Convention centres are not basic infrastructure like roads, railways and power stations, but they fall into that spectrum. A world-class convention centre is essential for the development of the tourism and convention business within the State. It will not be profitable on its own; it will require support. Given public support which ultimately may be recovered, the convention centre will be competitive in bidding for events and it will bring great

economic benefits to the members of the community who use it. As Energy minister, I am attracted to the proposition of some of the proceeds of the sale of AlintaGas being put into areas of renewable energy, a policy which is being developed at the moment. Benefits can also be derived from the expansion of the gas pipeline infrastructure into the south west on a similar basis to the gas pipeline expansion in the Murchison area.

Mr Ripper: What about Collie?

Mr BARNETT: We could do that. Why not? As this is an energy asset, we should use part of it to expand energy infrastructure in the State. We will not lose any infrastructure, but potentially we can gain more. The Premier and I have commented on whether part of the funds could be used to accelerate progress on the proposed Rockingham-Mandurah electric rail system.

Mr Ripper: It is a magic pudding.

Mr BARNETT: The total cost right through to Mandurah is $941m, including $620m of infrastructure and $300m of rolling stock. A contribution from AlintaGas - while it is not necessary to justify the sale; that stands on its own merits - is appropriate. There is nothing wrong with privatising a community asset and using some of the proceeds to build a new community asset. Is it such a bad thing to have AlintaGas - albeit privatised - as well as accelerated renewable energy, extended pipeline infrastructure and an accelerated program for the railway? On the other hand, we could have AlintaGas continuing on in public ownership with all the inherent conflicts of interest and the potential loss of value.

Finally, if we hesitate to sell AlintaGas, the prediction from financial analysts is that as the market is deregulated and more players come in the value of AlintaGas will decline. We have an asset that may be worth $1b now, but the prognosis is that if its sale is delayed until after the next election it will not be worth nearly as much.

Mr Ripper: This should help the sale process!

Mr BARNETT: This is important. AlintaGas will be of less value in the future in government ownership than it is now.

There are many economic, social and public policy reasons that AlintaGas should be privatised. They stand by themselves. One can add to them the benefits flowing to the community as a result of the public transport and environmental programs, debt retirement and so on that will be achieved. If we do not act, we face the prospect of an asset declining in value over time. If we take the foolish step of splitting it, we will potentially write off $70m to $110m from its value. Members opposite should think carefully before they oppose the sale of AlintaGas.

Question put and a division taken with the following result -

Ayes (30)

Mr Baker	Mr Day	Mr Masters	Mr Shave
Mr Barnett	Mrs Edwardes	Mr McNee	Mr Trenorden
Mr Barron-Sullivan	Dr Hames	Mr Nicholls	Mr Tubby
Mr Bloffwitch	Mrs Hodson-Thomas	Mr Omodei	Dr Turnbull
Mr Bradshaw	Mrs Holmes	Mrs Parker	Mrs van de Klashorst
Dr Constable	Mr Johnson	Mr Pendal	Mr Wiese
Mr Court	Mr Kierath	Mr Prince	Mr Osborne *(Teller)*
Mr Cowan	Mr Marshall		

Noes (20)

Ms Anwyl	Dr Gallop	Mr Marlborough	Mr Ripper
Mr Bridge	Mr Graham	Mr McGinty	Mrs Roberts
Mr Brown	Mr Grill	Mr McGowan	Mr Thomas
Mr Carpenter	Mr Kobelke	Ms McHale	Ms Warnock
Dr Edwards	Ms MacTiernan	Mr Riebeling	Mr Cunningham *(Teller)*

Question thus passed.

Bill read a second time.

Amendments to be made Pro Forma

On motion by Mr Barnett (Minister for Energy), resolved -

> That in relation to the Gas Corporation (Business Disposal) Bill 1999, the amendments listed on the Notice Paper in the name of the Minister for Energy be made pro forma.

Standing Orders Suspension

MR BARNETT (Cottesloe - Minister for Energy) [12.47 pm]: I move -

> That so much of the standing and sessional orders be suspended as is necessary to enable the Gas Corporation (Business Disposal) Bill 1999 to be considered in detail on the same day that pro-forma amendments are made to it, provided the Bill reprinted in the amended form is available in the Chamber.

It is intended to proceed today into the consideration in detail stage for a period. This suspension of standing orders allows members to have the pro-forma Bill, which has been prepared with the deletion of various items and the addition of some

government amendments. Thus, the consideration in detail stage can commence today. Normally it would have started on the sitting day following the second reading debate.

The major change the Government has made to the legislation is to delete provisions relating to technical and safety matters. While these items were included, they were not necessary for the sale of AlintaGas. Industry has raised some concerns and, in particular, has expressed the desire for more lengthy and wider public discussion and consultation about those technical and safety issues. It has been decided not to abandon them but to remove them from the Bill and to deal with them independently. That is the thrust of the amendments. A few minor amendments have been made of a proofreading nature. I have moved for the suspension of standing orders so that the proforma Bill is available and we can proceed with the debate today.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [12.49 pm]: I want to make some remarks on the motion moved by the Leader of the House. Looking at the time and knowing that members' statements are due to occur, I seek leave to continue my remarks at a later stage of today's sitting.

[Leave granted for speech to be continued at a later stage.]

Debate thus adjourned.

[Continued on next page.]

COOLBELUP COMMUNITY CENTRE

Statement by Member for Willagee

MR CARPENTER (Willagee) [12.50 pm]: I take this opportunity to raise an issue of great importance in the Coolbellup suburb of my electorate. It involves the potential loss of staff at the Coolbellup community centre. Cockburn City Council has applied to Family and Children's Services for funding for the staff member, the administrative assistant, without whom the operations of the whole centre will be jeopardised. The administrative assistant provides support for counsellors and other staff at the Coolbellup community centre. Essentially that staff member is the person with whom constituents make the first contact when they enter the place. The loss of the position would effectively mean that the building would be locked and that the only way that people would be able to access the service would be by telephoning for an appointment and then being met at the door. There would be no open access to the public. It is a very serious development for a suburb like Coolbellup to lose this kind of service. Uninterrupted individual counselling could not be guaranteed, as counsellors would need to respond to client inquiries themselves rather than the person on the desk doing so. To avoid this problem the counsellors would have to switch on answering machines and lock the centre. Public access would then be denied, and the counsellors may in fact jeopardise their personal safety by closing the building while with a client. When the counsellors are absent from the building the whole place will be closed down. I ask the Government and the Minister for Family and Children's Services to reassess their position on providing funds for this very valuable service to my electorate.

EMERGENCY POSITION INDICATING RADIO BEACONS

Statement by Member for Carine

MRS HODSON-THOMAS (Carine) [12.52 pm]: Each year, search and rescues occur in remote areas of Western Australia for individuals who have gone missing. It is not unusual for searches for missing persons to take several days, if not weeks, as with the recent rescue of Mr Robert Bogucki. The cost of such searches run into tens of thousands of dollars. It should be emphasised that time is critical in such an emergency, especially in the harsh outback conditions of our remote areas, where the nearest populated centre may be several hundred kilometres away. Modern technology has provided us with devices such as emergency position indicating radio beacons - or EPIRBs as they are commonly known - to assist in locating individuals in distress. The speed and success of rescues is dramatically increased as EPIRBs take the search out of rescue! EPIRBs are now widely used in boats. Not only do they have application in the marine environment; they can also be used by inland travellers in the event of accident, loss of direction, or medical emergency.

Four-wheel drive vehicles are becoming increasingly popular, and many families from urban areas venture into remote areas for their holidays. For minimal cost, travellers in remote areas can greatly maximise their chances of rescue should they meet with misadventure, and save the taxpayer tens of thousands of dollars, by investing in an EPIRB. It should be stressed that the use of EPIRBs should be restricted to life-threatening situations. Individuals will need to exercise responsibility and be held accountable for their actions. Those venturing off sealed roads should seriously consider carrying EPIRBs for their own safety.

COCKBURN SOUND ARSENIC LEAK, EFFECT ON MUSSEL AND CRABBING INDUSTRIES

Statement by Member for Peel

MR MARLBOROUGH (Peel) [12.54 pm]: I want to draw the Parliament's attention to the events surrounding the leak of arsenic from the CSBP plant and call on the Government to immediately broaden its terms of inquiry from that of the normal Department of Environmental Protection inquiry into a public inquiry. I do so because in the past week we have seen the impact on the fishing industry in general and in particular on the fishing industry in and near the Kwinana strip. I want to pay particular attention to the mussel and crabbing industries. I have met with mussel farmers. They advised me that they have lost up to $25 000 or more in their operations in the past week. They are very concerned that the public perception of mussels coming from the Cockburn Sound will be damaged and it will affect their ongoing marketing opportunities. We need to have a very open look at the processes that surrounded the events which were brought to the Department of

Environmental Protection's attention some six weeks after the arsenic leak. We need to do that to bring back confidence in the mussel and crabbing industries, which are important not only for the livelihood of the individuals who run those industries and have invested in them in Cockburn Sound, but also for fishing in general.

SPRING IN THE VALLEY

Statement by Member for Swan Hills

MRS van de KLASHORST (Swan Hills - Parliamentary Secretary) [12.55 pm]: On the second weekend in October each year, the Swan Valley celebrates its people and produce with Spring in the Valley, a two-day festival of community spirit, fine wine and food and musical and artistic performances. Attracting 50 000 people over the weekend, Spring in the Valley is the largest festival of its kind in Australia and attracts visitors from all over the country. The people who come back to enjoy Spring in the Valley year after year capture the unique cultural blend that has made the valley what it is. They are as diverse as the activities and events which make up the festival. This year, Spring in the Valley will be held on 9 and 10 October at 43 venues around the Swan Valley, making it the biggest festival yet. Visitors to the festival can enjoy an exciting and diverse range of activities and events at these venues, including wine, food, art, music, children's activities and special activities. The first Spring in the Valley was held in 1987, founded by the energy and enthusiasm of a small but committed band of Swan Valley residents and operators who wanted to share the wine, food, art, music and spirit of the valley with the people of Perth. While Spring in the Valley has evolved in stature and prominence, the essence of the festival remains very much as it was in 1987. However, Spring in the Valley is more than a weekend festival. There are a host of activities both before and after the main weekend, including the official Spring in the Valley launch, the Swan Valley wine show, the Swanleigh Swan Valley festival and other events. I commend this festival to all members of the House, and if they have not been, it is a wonderful place to go to.

COCKBURN SOUND ARSENIC LEAK, INVESTIGATION

Statement by Member for Rockingham

MR McGOWAN (Rockingham) [12.57 pm]: I would like to back up the comments made by my colleague, the member for Peel, relating to the 900 kilograms of arsenic that leaked into Cockburn Sound last week. I join with the member for Peel in calling for a full and open investigation into why this took place. I would also like the investigation to examine the issue of the actions of the government departments involved, in particular why appropriate warnings were not posted immediately the matter became known to them so that the people in the area could be prevented from swimming, fishing and generally enjoying the waters. Quite simply, it is not good enough that these sorts of events are allowed to take place and the health and wellbeing of people in that area are allowed to be put at risk. Furthermore, I would call for there to be full compensation for those parties that have lost any income as a result of this matter. I would expand that to include any of the tourism operators in the Cockburn Sound area, particularly those at Rockingham beach, which is part of Cockburn Sound, who have lost income as a result of the spill. Particularly those people who can quantify any income loss they have suffered as a result of this matter should be compensated. It is very disappointing to me that this has taken place.

PROSTITUTION, DECRIMINALISATION

Statement by Member for Joondalup

MR BAKER (Joondalup) [12.59 pm]: Over the past three decades, significant changes have occurred to prostitution laws in several Australian States and Territories. In New South Wales, Victoria and the Australian Capital Territory brothels may now operate legally through a range of different conditions. In the Northern Territory brothels remain illegal but escort agencies may explicitly offer sexual services. I draw members' attention to an article titled "Prostitution Law Reform in Australia." The author is Barbara Sullivan and the article was published in the *Social Alternatives* publication which is available in the library. The aim of the paper is to present a preliminary analysis of the impact of decriminalisation of prostitution law reform in those States and Territories. The first thing that is immediately clear from the review of the apparent statistics is that decriminalisation has not led to fewer arrests and criminal prosecutions for prostitution offences; if anything, the opposite is the case. In Victoria, arrests for prostitution offences were 15.8 per 100 000 of population in 1995-96 and 11.2 in 1996-97. In Queensland the rate of prostitution offences was six per 100 000 in 1995-96, 10 in 1996-97, and 12 in 1997-98. I thought I should bring this issue to the attention of the House because, despite what people may think, the research material indicates that decriminalisation will not result in fewer arrests.

Sitting suspended from 1.00 to 2.00 pm

[Questions without notice taken.]

GAS CORPORATION (BUSINESS DISPOSAL) BILL 1999

Standing Orders Suspension

Resumed from an earlier stage of the sitting.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [2.39 pm]: Before the suspension, the Minister for Energy moved that his amendments to the Gas Corporation (Business Disposal) Bill 1999 be made pro forma. Under our standing orders that pro-forma amendment motion cannot be debated. Nevertheless, it raises significant issues. I have had a brief chance to go through the two different versions of the Bill: The original version presented to the House and the version we now have containing the pro-forma amendments. I have found significant differences between the two versions of the Bill, and I will use this motion to suspend standing orders to allow for an immediate consideration in detail debate on the second version to raise some issues relating to the changes.

Having looked through the Bill, I can see - I think the minister will concede - that a significant number of the changes relate to the deletion of new safety provisions in the Energy Coordination Act. I am surprised by that. At the very least, the minister owes the House a more comprehensive explanation. When an authority is in public ownership, that authority, as well as having profit motives, can be expected to act in the public interest. It is often a criticism of public authorities that they are not sufficiently oriented to the profit motive. That criticism is sometimes made to justify privatisation. The corollary is that private enterprise, being more oriented to profits, is perhaps less oriented to public interest concerns. The usual response to transferring operations from the public sector to the private sector is to enhance the regulatory regime that applies to the activity in question. That was the minister's original intention but, if his pro-forma Bill is passed, those safety enhancements for the gas industry will be deleted.

Members will find the amendments interesting. The Energy Coordination Act provides for the appointment of a director of energy safety who can appoint inspectors. The provisions in the minister's first version of the Bill enhanced the power of those inspectors, particularly with regard to matters defined as "energy works". The first version also provided for an enhanced appeal mechanism should there be any dispute about the decisions of those inspectors or the director of energy safety. Those provisions have disappeared from the Bill. If this Bill is passed in its amended form, there will be no enhancement of the provisions of the Energy Coordination Act relating to the safety of energy works.

This is not a purely academic issue. Following the explosion at Esso's Longford gas processing plant in Victoria on 25 September last year there has been increased community concern about the safety of energy facilities. I will quote from a letter to the *Business Review Weekly* of 12 October 1998 written by a Mr Peter Stewart, the managing director of Combustion Air, Perth. He states -

> There may well be a link between the disaster and the wave of restructuring in the gas industry in which reform relies on marketplace efficiency, privatisation, deregulation, corporatisation and restructuring.

He later quotes a former chief executive of British Gas, Mr Cedric Brown, who warns of the dangers that can accompany competition, deregulation and restructuring as follows -

> Regulators across the whole utility sector are using their powers to exercise new economic and political principles, mainly by taking resources out of the industries involved to see how far the price to the consumer can be reduced before the system cracks. Frankly, the gas industry is not the place to test academic theories, however fascinating. It is literally playing with fire.

It is clear that people involved in this industry have concerns about the direction of the regulation of safety.

Rather than doing what one would expect - that is, to enhance the regulatory regime to accompany a proposal for privatisation - the minister has removed those enhancements from the legislation. I am not in a position to debate each item in detail, because under the standing orders members cannot debate the pro-forma amendments or absent clauses. However, what I am saying with regard to this proposal to suspend standing orders is relevant.

A royal commission was held to investigate the Longford gas processing plant disaster. Recommendation 15.14 of the "Report of the Longford Royal Commission" states -

> It is apparent that reliance upon OIMS to achieve a safe working environment in GP1 on 25 September 1998 was misplaced. The Commission is of the view that external obligations of a detailed and comprehensive kind (albeit identified by Esso itself) should be imposed upon Esso in order to avoid the repetition of an accident such as occurred on that day. Those obligations must be monitored to ensure that they are met and that aims similar to those expressed in OIMS are achieved in practice.

The royal commission recommended that Esso adopt a "safety case procedure". Recommendation 15.25 states -

> Esso's facility at Longford is, however, not the only major hazard facility in Victoria and it would be inappropriate to confine the safety case procedure to a single onshore major hazard facility. A government authority would be required to administer such a procedure and its powers should extend to all major hazard facilities within the State.

Recommendation 15.26 states -

> For these reasons, the Commission recommends that a safety case or safety report procedure of the kind identified be extended by legislation to all major hazard facilities within the State and that a specialist agency, sufficiently independent of the VWA to avoid any conflict of interest, be established to administer that procedure.

I have quoted from the letter and the royal commission recommendations to illustrate my argument.

People in the gas industry clearly think that as a result of the Longford gas plant disaster there should be more stringent regulation of safety issues in the gas industry. When shifting an agency from the public to the private sector, because of the enhanced concentration on the profit motive in the private sector and because of the diluted concern with public interest matters in the private sector - I do not criticise the private sector for that because that is just the way it is - an enhanced regulatory regime usually accompanies privatisation. The minister has removed those enhancements from this legislation. The Chamber of Minerals and Energy has spoken to me about this matter. If I am not misrepresenting it, its view is that the proposals in the original legislation applied well beyond the privatised AlintaGas entity. The chamber's view that the proposals of the minister are not acceptable and are intrusive, and would give too much power to the Director of Energy Safety and his or her inspectors.

I cannot go into the detail of these arguments but the minister owes us a fuller explanation of why he has deleted those safety

enhancement provisions from his legislation. Unfortunately we cannot debate the matter clause by clause because we are dealing with the absence of clauses, but he could give us a general explanation justifying the decision he has made. The minister could also let us know how he proposes in the future to replace the deleted safety enhancement provisions. I would like to know whether the minister proposes to bring to the House at a later stage further amendments to the Energy Coordination Act 1994. I hope that we will resolve these matters before AlintaGas is finally privatised. It may be that the minister wants more time to consult with industry. It may be that he can bring further legislation to the House before the end of the year. I certainly expect the minister to be able to explain to the House why the Bill no longer has safety enhancements and what he proposes to do to rectify their absence. On the face of it, if the Government is moving an entity to the private sector and it is considering the safety of gas facilities in the wake of the Longford gas plant disaster, it would want to extend and enhance the regulatory regime and not back off from adopting a more stringent approach to gas safety.

MR THOMAS (Cockburn) [2.53 pm]: The steps the minister proposes to take by having the modified Bill recommitted is a reverse of the direction that should be taken. Australia has seen over the past 12 months or so the perils that can exist if gas infrastructure is dangerous and accidents occur. It is obviously the case that within the AlintaGas network the capacity for such incidents to occur exists. They of course can be quite tragic. We have seen what can happen to society if that infrastructure breaks down and safety standards are not observed. The community would look to this Parliament and the legislation that we are setting up to reconstitute AlintaGas as a private corporation to ensure that the business is conducted safely. I am a member of the Joint Standing Committee on Delegated Legislation. It has been looking at gas safety regulations and has heard concerns expressed that provision needs to be made for connections between transmission and distribution and type B appliances to ensure that safety standards are properly observed. Indeed, in the other place proposed regulations have been disallowed on the ground that the members were not convinced about them.

MR BARNETT (Cottesloe - Minister for Energy) [2.57 pm]: There is nothing mysterious about this at all. The existing technical and safety regulations that are currently applied to AlintaGas, Western Power and any independent operator will continue to apply until such time as they are changed. It was proposed to make some amendments. The Chamber of Commerce and Industry of Western Australia and the Chamber of Minerals and Energy expressed the view that it would have implications not so much for AlintaGas but for independent power producers now and in the future. They wanted more time to discuss any proposed changes in that area. I agree that it was not essential for the AlintaGas sale. If anything, the AlintaGas sale Bill was being used as a vehicle to bring about at the same time some safety and technical changes. Perhaps in many respects that was not the right way to go. I concede that. We will proceed with the discussions about technical and safety issues outside the AlintaGas Bill, but the existing safety and technical regime remains operational for AlintaGas. It applies to it equally whether it be government owned or privately owned. I suggest that by the time AlintaGas is privatised, which on the best scenario will be mid next year or maybe a little earlier, this issue will have been resolved satisfactorily with the industry; and new regulations will have been introduced by way of legislation.

Mr Ripper: By what mechanism will you introduce those changes? Will there be an amending Bill to the Energy Coordination Act?

Mr BARNETT: I understand that it will require legislation and supportive regulations. Industry is not necessarily unhappy; if anything, the gist of the message is that the industry regards it as perhaps a little over-regulatory in style. That will be discussed.

Mr Ripper: Will you be bringing an amending Bill to the House before Christmas?

Mr BARNETT: I would imagine so, certainly before the AlintaGas privatisation is through, not that it is necessarily related to that because AlintaGas operates under a regime now.

Mr Ripper: I would think that a privatised entity might be accompanied by a more stringent or enhanced regulatory regime.

Mr BARNETT: There are changes in the regulatory regime but not because of privatisation. It is because of changes in technology in the industry. There is a bit of a philosophical debate about the degree to which the Government allows self-regulation or has a very strict and intrusive regulatory regime in place. That debate is going on. Until it is resolved - and it will come back to Parliament - the existing regime which has served this State well and continues to serve this State well will continue in operation.

Mr Ripper: Who else will get consulted apart from the industry?

Mr BARNETT: Anyone the member likes. We are happy to consult with the Opposition. Indeed if the member would like a briefing I can happily arrange one of those infamous briefings for him on the technical and safety regulations. I am sure he will find it stimulating.

Question put and passed with an absolute majority.

Consideration in Detail

Mr PENDAL: I move -

> That the Assembly, when considering the Gas Corporation (Business Disposal) Bill 1999, has the power to consider the following amendments and any related amendments -
>
> > Clause 6, page 5, after line 16 - To insert the following -
> >
> > > (6) Any order made under this section is subject to section 27A.

Clause 27, page 20, line 2 - To delete "A" and substitute "Subject to section 27A, a".

New clause 27A, page 20, after line 14 - To insert the following -

27A. Degraded Lands Rehabilitation Fund

(1) The Treasurer must ensure that $250,000,000 (250 million dollars) of a section 6 disposal is applied to the establishment of a fund to be called the Degraded Lands Rehabilitation Fund ("the Fund") for the purposes provided by this section.

(2) The Fund is to be established for purposes including -

(a) mitigating, controlling or reducing the effects of salinity in this State's agricultural lands, waterways and rivers;

(b) funding public and private works and programmes relating to paragraph (a) including direct grants to farmers or landholders or other persons working land for agricultural, pastoral or horticultural production;

(c) funding research relating to salinity;

(d) funding public and private works and programmes of an experimental nature which may mitigate, control or reduce salinity;

(e) funding works and programmes directed to the protection of flora and fauna in danger of extinction because of salinity and other forms of land degradation; and

(f) any other related purpose prescribed for the purposes of this section by regulation.

(3) The Fund is to be administered by the Minister responsible for the administration of the *Conservation and Land Management Act 1984*.

(4) This section has effect notwithstanding any other provision of this Act or any other written or unwritten law.

I understand the Government is prepared to support my motion, but I will explain my motivation in bringing the motion to the House. The essence of the motion is to widen the scope of this Bill, as we go into consideration in detail, to deal with the dispersal of part of the funds from the sale of AlintaGas. Of those funds, $250m will be used in the fight against salinity. My interest is in two parts: The first is from the period 1990 until 1993, when I was part author of the Fightback! Western Australia document, which was published in 1992. That report dealt, in some detail, with the need to begin a comprehensive fight against salinity. At that stage, the problem was significantly smaller than it is today. Subsequent to that, and reflected in the 1993 coalition policy, a series of commitments were made via the environmental policy to begin that fight. We are confronted with many indicators of an agricultural/environmental problem of enormous magnitude. I mention two of these in asking the House to agree to the motion.

The amount of arable land in Western Australia that has fallen to land degradation, particularly salinity, has increased almost sevenfold since 1982 from an estimated 260 000 hectares to an estimated 1.8 million hectares. That has occurred over 17 years. Members would immediately realise those figures are indicative of the scope and magnitude of the problem. The second indicator occurred some weeks ago at the annual National Party conference in the State's north. At the conference the Deputy Premier and Leader of the National Party went so far as to advocate a GST-style environmental levy for Western Australia. He said the levy was needed to tackle two major environmental disasters; land degradation and salinity, and financing timber industry restructuring.

The problem of salinity was not in our lexicon a generation ago. If members went to the *1974 Western Australian Yearbook*, as I did, they would realise that the word "salinity" did not even rate a mention. That is indicative of the magnitude of the problem in 1974 - it was simply not seen as a problem. The only mention in the *Western Australian Yearbook* was under the index heading of salt. It was not described in a disparaging way but was listed as a mineral that was mined and harvested in Western Australia's north west. I underline the point that a mere generation ago the word "salinity" did not rate a mention in our lexicon. Notwithstanding that, the State and successive Governments had been receiving warnings for decades. Some of the earliest literature on the dangers of over-clearing and its effect on the rising salt table go back to the days when John Septimus Roe was Surveyor General. He was one of the early people who saw a connection. I repeat my point that by the early 1970s, the word "salinity" had not arrived in our dictionaries.

This problem costs Western Australia approximately $455m in lost agricultural production each year. It is a crisis that is capable of destroying up to one-third of the arable agricultural land in Western Australia. Arable land is part of our public infrastructure and is as important as roads, highways, bridges, ports, and school buildings. The problem is expressed in other ways. There are 18 million hectares of agricultural land, yet we are looking down the barrel of a cancer capable of eating into six million hectares of that land. Despite the enormity of the problem, it barely rates a mention. It has barely rated a mention in this Parliament in the last decade, in any form of media and it certainly has not drawn a mention from the political leadership.

The marked, rapid deterioration of the problem over that past six years has been accompanied by a deathly silence. It is similar to what used to happen in society one or two generations ago when one learnt that a family member had cancer. The general response to that news was to not talk about it, or it was spoken about behind people's backs. It was never confronted. If it was talked about, it was in the most quiet of whispers. That is somewhat reminiscent of what we are confronted with today. There is deathly silence when it comes to talking about the effect of salinity on that major part of our public infrastructure.

Therefore, the intent of this motion is to get the Parliament to focus, for a few minutes at least, on a problem that will get worse before it gets better and that requires emergency action. Whatever merit there may be in the Deputy Premier's suggestion that a GST-style environmental levy be imposed, that is not an option for us, because it will take two, three or even five years to introduce that sort of levy in Western Australia and to condition people to that way of thinking. I put it to members that we do not have the luxury of time. Action must be taken today, in 1999, and not in three, four or five years. The position is that every 12 months, an increasing amount of agricultural land is succumbing to the cancer of salinity; therefore, we do not have the option of waiting any longer. The proposed sale of AlintaGas gives us the wherewithal to take action immediately. The suggestion by the Deputy Premier of an environmental levy does not give us that wherewithal. The Minister for Energy said a few moments ago that the sale price of AlintaGas is likely to be in the order of $1b. The amendments that will follow from the passage of this motion provide that $250m from the proceeds of the sale of AlintaGas be applied to the establishment of a degraded lands rehabilitation fund to begin the fight against salinity, which has now reached crisis proportions in Western Australia.

I promised that I would limit my speech at this point. I have made sufficient remarks to introduce the topic. I am confident that the Government will agree to the motion to broaden the scope of the Bill for the purposes of the debate during consideration in detail, at which stage it will be competent for me to move the amendments that have been on the Notice Paper in my name for several weeks. I signal to the House that the substantial part of the discussion about my amendments will take place at clause 6, even though the principal amendment is a new clause 27A. My advice from the officers at the Table of the House is that it will be competent for us to debate those matters at clause 6. The motion is an attempt, using Standing Order No 177, to give an instruction to the House that will broaden the scope of the Bill in such a way as to allow the Government to begin a serious fight against salinity. I commend the motion to the House, although I am not happy that it has been necessary to take this action to demonstrate that a serious fight against salinity of that kind has yet to begin.

Mrs HOLMES: I totally understand the position put by the member for South Perth with regard to salinity, and I have total sympathy for the environment and for the people of this State who suffer from this problem. However, I have a difficulty with the amount of $250m that the member for South Perth has proposed should be withdrawn from the proceeds of sale of AlintaGas. The reason is that the member for South Perth has not given any background about how this money will be used by stating that the $250m will be used by X, Y and Z for X, Y and Z program.

Mr Pendal: With respect, I have done that. That is contained in proposed new clause 27A.

Mrs HOLMES: That is fine, but the member did not say that in his speech, and I have not yet read the proposed new clause.

Mr Pendal: My agreement with the Leader of the House was that I would limit my speech to an introduction of the motion, given that the Government would agree to it, and would give the details about it later. I am following the request of the Leader of the House.

Mrs HOLMES: I am speaking on the motion, and I believe I have the right to do that. I have been provided with some figures that show that the amount that has been spent on salinity through the agencies was $16.1m in 1996-97, $20.1m in 1997-98 and $25m in 1998-99.

Mr McGowan: In total?

Mrs HOLMES: No; this is just through the agencies. The Department of Conservation and Land Management spent $19.8m on the maritime pine salinity strategy. In 1998-99 we also received federal funding of $15m. The total funding through the agencies and from the Federal Government was $67.45m.

Mr McGowan: Per annum?

Mrs HOLMES: No; in 1998-99. I have been informed by the Government that both it and the Federal Government have made an ongoing commitment to provide funding for the salinity program. I raise this matter from my perspective as the member for Southern River, because, as the member for Rockingham and others will be aware, the people in the southern suburbs of the metropolitan area have been waiting a long time for a rail line from Kenwick to Mandurah. It is the people in the metropolitan area who are lucky enough to be able to use gas who contribute to AlintaGas by paying their gas bills. There is a pressing need for the extension of a rail line to the south eastern suburbs. The people of the south eastern suburbs have been waiting for years to get that rail system and for the Government to recognise that they need additional transport facilities in their area.

Mr McGowan: You mean the south western suburbs.

Mrs HOLMES: Our suburbs.

Mr Barnett: On the way to Rockingham!

Mrs HOLMES: Our south eastern suburbs. We are in the south eastern corridor. I am talking about going from Jandakot, to Kenwick to Mandurah.

I do not want to rub salt in the wounds of the residents in my electorate. While the residents in my electorate sympathise fully with the salinity problem, they believe that is a totally separate issue. The sale of AlintaGas has not taken place yet, but it will be up to the Government to decide what to do with the proceeds of that sale. From my perspective, the people who have contributed to AlintaGas by paying their gas bills should have the opportunity to reap a reward by having the construction of the southern suburbs rail line brought forward. The estimated cost of building this rail infrastructure to Thompson Lake is $425m. The $250m that the member for South Perth has proposed be used for salinity would be gratefully received to be able to bring that project forward. The Government should carry on with its commitment, which I am told it will, to help address salinity across the State. It is a problem which has increased over the years. I agree with the member for South Perth that it is a great problem for our farming community and costs our farmers a lot of money. By the same token, as the member for Southern River, I am totally committed to the Government doing all it can to bring forward the railway in my electorate to help my constituents. Many young people live there and cannot afford to buy cars. They want to go to university, and have the same rights as everybody else to do so. If the railway was linked to the transport going to Murdoch University, it would be of benefit not only to them, but to our State through the education of the children who live in my electorate and who cannot afford to buy a car. I feel very strongly that we need to bring the rail link forward as soon as possible. If the Government decides to put any of the money from the sale of AlintaGas towards the railway in my electorate, both I and my constituents will be eternally thankful.

Dr CONSTABLE: At the moment we are debating not the substance of the amendments proposed by the member for South Perth, but the first part of the motion, which is this, and I will read it again so members understand: "That the Assembly, when considering the Gas Corporation (Business Disposal) Bill 1999, has the power to consider the following amendments and any related amendments".

This motion is asking for time in the consideration in detail stage of the Bill to debate some amendments which extend the scope of the Bill. The first part of the motion relates to new Standing Order No 177, which allows the scope of a Bill to be extended in a related way, which this does, to debate some other amendments. In this Bill, which is about the sale of AlintaGas, the extension of the scope relates to how some of that money might be spent. The House must give permission for this to happen in the consideration in detail stage. It is a very interesting and important standing order that allows the House to extend the scope of any legislation and to debate it.

I was pleased yesterday during the second reading debate when the minister interjected on the Leader of the Opposition and said that it was important that the public be aware of how this money would be spent, and that the public be involved in debate on that. It is very important, therefore, that this House debate how that money might be spent. From that point of view, I am very encouraged by the comments of the Leader of the House. It is extremely important that any plans to spend or dispose of funds gained from the sale of assets be debated in this House, and that all members to have a chance to make comment on that. From that point of view, the member for South Perth is doing us a service by moving these amendments so that we air that issue that is closely related to this Bill, but does extend the scope of the Bill. The motion to give time to debate these amendments goes to the heart of what this Parliament is all about. Any democratic institution, such as this one, exists to give elected members the opportunity to raise issues for debate, and this is a perfectly legitimate issue to be raised. In fact, it is an urgent one in Western Australia.

In this instance, the member for South Perth is proposing amendments to the Bill. If accepted by the Parliament and by the other place, they would allow a considerable proportion of the funds from the sale of AlintaGas to be used in an effort to combat the ever increasing salinity problems faced by Western Australia. This clearly is a matter that should be considered by the members for a number of reasons, the first being that $1b is great deal of money, and we should be discussing how that money should be spent. Secondly, how the money is spent should be of great interest to this House. Salinity is an issue that we should be considering with some urgency, as I have said. It is the job of this Parliament to ensure free and open debate on any issue or amendment considered worthy of debate. I agree with the member for South Perth that the issue of salinity, raised in the amendments, is worthy of debate, and the House should support this motion to allow time to do that.

Mr BARNETT: The member for Churchlands has correctly summarised what this motion does. We all agree that salinity is an important issue. The member for Southern River has argued that a railway through her electorate to Rockingham, and ultimately Mandurah, is also an important issue. My aims are somewhat more modest: I would just like to see the privatisation of AlintaGas. Then it is up to the Government to determine how the proceeds should be used. Although it is less exciting, the retirement of debt should loom as a priority; however, the purpose -

Mr McGowan: Do you think this should be spent on reduction?

MR BARNETT: Yes, that is the first call; not all of it, but a significant part. I would argue for retiring some of the debt of AlintaGas and also some consolidated fund debt.

Mr McGowan: How much?

MR BARNETT: That is a matter for the Government to consider.

Mr McGowan: The debt is about $200m.

Mr BARNETT: The debt of AlintaGas is about $240m.

Mr McGowan: This is a $1m proposal. That leaves $760m. What are you proposing to do about that?

MR BARNETT: Some of it should also be used for the retirement of general government debt, and some may be used for purposes such as those that are being discussed here. The essence of the issue is that, before we can debate or even contemplate how this bounty may be spent, it will require the passage of the Bill for the disposal of AlintaGas and the

successful privatisation to take place. As I say, my aspirations are far more modest than those of other members. My objective is simply to try to secure privatisation; however, I recognise members have views and should be able to express them. The motion of the member for South Perth is simply to allow his amendments to be considered when we are in the consideration in detail stage. The motion was necessary because his motion by its nature is a money matter that would normally require a message. We could have the debate about salinity, and we have had a little of that, and about rail and debt retirement and all sorts of other things now and that could go on for the rest of the day, I imagine, if not into Tuesday; or I could agree to this amendment and the member for South Perth could raise these matters during the consideration in detail stage. Although I intend to agree with the motion and allow these amendments to be moved in the consideration in detail stage - that is proper in a parliamentary sense - I make the observation that in a legislative sense salinity is not directly related to the sale of AlintaGas.

Dr Constable: The money is.

Mr BARNETT: Yes, the money is, and that may well be a separate issue. Potentially it sets a dangerous and clumsy precedent if we are to have debate on a whole lot of what can be seen to be extraneous issues attached to legislation. Nevertheless in the cooperative spirit of allowing the member for South Perth to move his amendments, I indicate that the Government will agree to this motion; therefore, he will be able to move his amendments next week when we deal with the consideration in detail stage.

Mr McGOWAN: I intend to say a few words about the issue now, principally because for part of next week I will not be here. Like the member for Southern River I will be -

Mr Barnett: I am curious as to who will be here.

Mr McGOWAN: - out in the wheat belt representing the Opposition.

Mr Wiese: Where are you going?

Mr McGOWAN: After I visit, it will be a very winnable seat. I am visiting the seat of Merredin, and as a result I expect there to be a big swing in the voting at the next election.

Several members interjected.

Mr McGOWAN: We will go from 19 to 48. I am looking at the member for Moore and I would be very interested to hear what he has to say about the issue of salinity because I know it is a matter of great concern to him. I have heard him speak at length on salinity in this House. I would be interested to hear him speak on this issue after I have concluded my remarks. In fact, I challenge him to do so, to represent his constituents. The member for Moore's comments on salinity are very highly regarded by this Parliament. If he does not speak, I personally will be very disappointed with his choosing not to make any remarks. I know the Leader of the House also regards very highly the remarks of the member for Moore.

Mr Osborne: The member for Moore will be paired from 3.35 pm.

Mr McGOWAN: I will sit down before then so the member for Moore has the opportunity to speak on salinity because I know that his remarks are very important. The sentiments expressed by the member for South Perth are also very important but I remind him of the lead-up to the last state election. About 10 days before the last state election on 14 December 1996, a major press campaign was conducted by the Government and led by the Deputy Premier and the Minister for Primary Industry. They went out and made a commitment on behalf of this Government to a $3b, 30-year salinity program. According to my estimation, that works out at $100m a year. Salinity is important and I checked the coalition policy on the environment in the lead-up to the last election. Clause 48 of that policy makes a specific line item commitment of $100m a year from the State - not the Commonwealth or any other source - for the funding of the salinity program. The figures quoted by the member for South Perth show that not even half of that amount is being spent on salinity by the State of Western Australia. When this matter has been raised previously, the Minister for the Environment has confirmed that not enough tree planting is being done to combat salinity. Not enough action is being taken to stop the problem where it is at the moment. About 1.7 million hectares of Western Australia is affected by the salinity problem and that situation is not even being arrested. Even though the Government is planting about 20 000 hectares of trees every year, salinity is expanding. The situation is getting worse and the amount of money the Government is spending on the salinity action plan is half the amount it committed to at the last state election. In the light of the Government's promises in that campaign, it needs to address this issue. We are three or four years down the track and the Government has spent half of what it said it would.

Mrs Holmes: How much did you spend?

Mr McGOWAN: The member for Southern River can say what she likes, but that was eight years ago. The problem is becoming exponentially worse and the central point the member missed is the Government made the promise before the state election. It went out and won votes on this point; therefore, it is duty bound to meet its commitments. The Government is getting a lead from sectors of industry in this State. BP Australia Ltd has a program which, over time, will result in sufficient trees being planted to cover all of its carbon emissions.

Mr Baker: What should happen with the proceeds?

Mr McGOWAN: We do not think AlintaGas should be sold. However, I am telling the Government that it should cover its promise. It never said it would sell AlintaGas, and it made a $100m a year commitment. If the Government is going to make that sort of commitment, it must come up with the money. It should not flip flop around and say it might do this or

that. It will oppose the amendment in any event, but it is spending less than half of what it said it would spend before the last state election - less than half of what it promised the people of this State.

Mr Wiese: I hope you have a good look when you go out to the wheatbelt and see what is going on.

Mr McGOWAN: I will have a good look. I get out there often. I will be there campaigning in the Deputy Premier's electorate this week.

Mr Pendal: The Government is living in a fool's paradise. The reality is that what is being done is not holding a candle to the rate of damage that the member is correctly referring to.

Mr McGOWAN: It is not being done; nothing is being done. The member for Wagin -

Mr Wiese: Fives times more is being done now than was done when you were there.

The ACTING SPEAKER (Ms McHale): Order, members!

Mr McGOWAN: The situation is getting worse at an exponential rate. The member should understand that.

The ACTING SPEAKER: Perhaps the member for Rockingham could direct his comments to the Chair and not across the Chamber.

Mr McGOWAN: The member for Wagin should know that this problem is getting worse at an exponential rate. More funds must be spent on the problem to alleviate it. To spend half of what the Government should be spending, half of what it promised, is not good enough.

Mr Wiese interjected.

Mr McGOWAN: The member for Wagin should not be defending it.

Points of Order

Mr BARNETT: This motion is about allowing these amendments to be moved so they can be debated next week. As Leader of the House, I have given an undertaking to the member for South Perth to agree to these amendments being debated next week. This is not the time for this House to have a general debate. Everyone has tolerated some brief comments, but this is not the time to debate these amendments. That will be done next week so long as I maintain my position of agreeing to this motion.

The ACTING SPEAKER: Is your point of order about relevance?

Mr Barnett: Yes.

Mr McGOWAN: I will be wrapping up my comments, but I note the Leader of the House allowed some latitude to the member for Southern River on this matter and he should extend the same courtesy to me.

Mr Barnett: She had three or four minutes; that was it.

Mr Thomas: It is not up to the Leader of the House.

The ACTING SPEAKER: To remind members, it is up to the Acting Speaker.

Mr RIPPER: The motion we are considering would allow the Assembly to have the power to consider certain amendments. Matters related to those amendments are certainly relevant to the motion before the House. It is not simply a procedural motion and the comments of the member for Rockingham are in order.

The ACTING SPEAKER: Essentially the motion we are discussing relates to the Gas Corporation (Business Disposal) Bill 1999. I take the Deputy Leader of the Opposition's point about the motion referring to any related amendments. I do not think there is a point of order but I ask all members to bear in mind that we have other matters to discuss and that the general approach to the debate is one of brevity. I ask the member for Rockingham to speak specifically to the motion and perhaps to take his own counsel.

Debate Resumed

Mr McGOWAN: I will finish on this note: The Government made a commitment about what it would spend on the salinity action plan and it is not complying with that promise. I thought of all parties the National Party would have been pushing for something to happen on this issue, but obviously it is not. The member for South Perth raised some very good points about salinity getting worse despite what the Government is spending on it. The Government should be doing more and it can take its lead from companies such as BP. I have challenged the member for Moore to make a few remarks on this issue, because I know it is of vital interest to him and I look forward to hearing from him.

Mr BRIDGE: I acknowledge the decision of the Leader of the House to allow this motion to proceed even though it was agreed that we would debate the matter next week. Therefore, I simply indicate my support for the Leader of the House in agreeing to that request from the member for South Perth.

I will conclude my remarks within about a minute, so I will not take up much of the House's time. We are looking here at an amount of $1b. We all realise that with the likely sale of AlintaGas and the consequent availability of that amount of $1b, a large amount of money is involved. If there was a realistic likelihood of a sizeable portion of that $1b being dedicated to

the salinity problem as a result of the agreement of this Parliament, that would be a responsible outcome. We can talk about railways, trains, casinos and convention centres until the cows come home. However, Australia's future rests on a secure and well-managed land mass. Salinity is a critical component of our obligation to ensure that the future of Australia is sustainable because we have made a genuine effort to care for our land mass. When dealing with the arguments that people put forward about the areas into which this money should go, clearly there is nothing more significant than overcoming the degradation of the land in our country and restoring it to a form which can be sustained.

The motion of the member for South Perth provides the members of this Parliament with a wonderful opportunity to recognise the significance of land care, particularly the salinity problem, and to try to agree in a sensible manner to allocate a large proportion of the funds from the sale of AlintaGas to that area. That is all we are on about. It is a pretty sensible process and is absolutely necessary because, as I said, land mass is more important than all of those other things put together. Without people, without land, without water, we do not have a country; it is as simple as that.

Mr RIPPER: The Opposition opposes the motion moved by the member for South Perth. I can understand what is happening. The sale of AlintaGas is, in the view of the Opposition, an unpopular policy. The Government wants to link it with a more popular policy, and it does that by saying it will seek to spend part of the proceeds on the southern rail extension. At least that is what the Premier says. When the Leader of the House and Minister for Energy is questioned about it, he is more inclined to say that matters should be dealt with on their merits, the sale of AlintaGas should be dealt with on its merits, and that the funding of the southern rail extension should also be dealt with on its merits. What has happened is that the member for South Perth, with his customary flair for highlighting an issue, has joined the Government's game. He has sought to link the privatisation of AlintaGas with a policy which, in his view, is even more popular.

Mr Pendal: It is not that it is more popular; it is simply of more urgency to the economy of this State, and people on the other side do not seem to appreciate the economic impact of what we are talking about.

Mr RIPPER: The member for South Perth is saying that he would prefer action on salinity to action on the southern rail.

Mr Pendal: No. I am saying we can do both, and when I get the chance to explain, I will show you how we can do both. I am trying not to link them in this debate now.

Mr RIPPER: I know what the arrangement is between the Government and the member for South Perth. They have agreed not to argue at this stage of the proceedings and to set the scene for an argument and a debate at a later stage. I will not speak at length, but I want to clearly state that the Opposition is opposed to the privatisation of AlintaGas. It will not therefore enter into debates about what should happen with the proceeds of the sale of AlintaGas. It will not be tempted to go down paths which might dilute the clarity of its opposition to the privatisation of AlintaGas. There should not be any proceeds from the sale of AlintaGas because the sale should not proceed.

I understand why the member for South Perth might want to take the approach he has taken. He was formerly a spokesperson on the environment for the coalition. I will say at this safe distance from the events that he was a good spokesperson on the environment when the coalition was in opposition. He developed the coalition's profile on environmental issues. I would go as far as to say that he seduced a number of voters away from the Labor Party on the question of environmental issues. Unfortunately for the member for South Perth, two things happened. First, he was not given a spot in the coalition Cabinet and therefore was not able to proceed to have any personal connection with implementing the policies he outlined in opposition. Secondly, the coalition did not honour the promises and the perceptions which the member for South Perth, as the spokesperson on the environment for the then Opposition, had managed to create.

I can understand the member for South Perth returning to those glory days and seeking once again to highlight an environmental issue. However, unlike those voters whom he managed to seduce during that period in 1992, the Opposition will not be seduced away from its opposition to the sale of AlintaGas. It will not accept the linking of socially desirable and/or popular policies with something that it regards as both wrong and unpopular; that is, the privatisation of AlintaGas.

The Opposition will vote against this motion. No doubt the Government and the member for South Perth, having done the deal, will prevail, and we will have a further debate on salinity issues. At that time various members of the Opposition may seek to highlight, together with the member for South Perth, the Government's deficiencies on the salinity issue and its failure to honour its promises or to effectively tackle this serious issue. However, the Opposition will not go so far as to compromise on the sale of AlintaGas and give any comfort by supporting motions which deal with the proceeds of a sale it does not support.

Question put and passed.

Clause 1: Short title -

Mr RIPPER: I refer to an article in the *Business Review Weekly* of 5 October 1998 by Sara Clafton headed, "Asset prices are likely to go off the boil". The article makes two major points. The first point is -

> Prices paid for state government utilities such as electricity, gas and water are expected to fall by up to 20% as a result of the Sydney Water contamination crisis.

The second point is -

> . . . state governments will require companies that tender to commit more funds to maintenance and upgrading so that crises such as Victoria's gas shut-down, Auckland's power blackouts and Sydney Water's difficulties will be avoided.

I seek the minister's comments on those two issues raised in the *Business Review Weekly*. Has the Government's financial analysis of this proposed disposal taken into account this view that the disasters in Sydney, Auckland and Victoria may have knocked down the prices which people are prepared to pay for utilities? What is the Government's comment on the argument that people buying privatised utilities should be spending more on maintenance and upgrading in the future? I have not seen any reference in the minister's comments or in the Bill about requiring the privatised AlintaGas entity to spend money on the maintenance and upgrading of the gas distribution system.

Mr BARNETT: Sydney Water is still within government ownership and presumably will stay there.

Mr Ripper: The plant had been contracted out to a private operator.

Mr BARNETT: Esso Ltd's Longford plant is and has always been a private plant; it has never been in government ownership. The collapse of the electricity system in Auckland did not relate to the privatisation of the power supply. If anything it reflected a lack of maintenance when it was in public ownership.

Mr Thomas: It was undercapitalised.

Mr BARNETT: The Opposition cannot draw any comparison between those utilities and whether they were privately or publicly owned. In Western Australia the equivalent plant to the Longford plant is the domestic gas facility on the Burrup Peninsula which is and always has been privately owned by North West Shelf Gas. They are different in that the Burrup plant is far more modern than Longford and has a backup capacity that was not in place at Longford. Inherently, gas is a commodity that one must be careful of. We are talking about the distribution system, and not the high pressure transmission pipelines. In Western Australia those are the Dampier to Bunbury natural gas pipeline, the goldfields gas pipeline, the CMS Pty Ltd pipeline and the Pilbara energy project, which are all in private ownership. If there is an issue it is more likely to be there than in the relatively lower pressure distribution pipelines running up and down suburban streets. There is no suggestion of a compromise on technical safety standards, whether the facility is publicly or privately owned.

Mr THOMAS: My colleague the Deputy Leader of the Opposition raised the point that we need some assurance that the infrastructure that would be acquired if this legislation were to pass would be maintained so that the public interest in terms of safety would be protected. The Bill does not impose any obligation on the body that would acquire those assets to maintain them in such is a way that the public interest in a safety sense would be maintained. The events that occurred in Auckland - I do not know about the others - were a result of undercapitalisation. The owner was a municipality that was seeking to maximise its cash flow and minimise costs and had not maintained capitalisation to the extent necessary for the transmission facilities which ultimately failed. It is necessary to ensure proper maintenance and investment in the distribution infrastructure. I am aware that when the old State Energy Commission of Western Australia acquired the distribution system of the Fremantle Gas and Coke Co Ltd the infrastructure was in a fairly parlous state and SECWA was required to invest a considerable amount of money in those assets to bring them up to scratch. Presumably the Fremantle Gas and Coke Co Ltd had sought to maximise its profits to its shareholders, as companies are obliged to do. One strategy to do that is to minimise investment in maintenance and to reduce costs in that area. I cannot see any obligation on the company that will acquire these assets to maintain them in an appropriate manner. Perhaps those obligations exist under other legislation such as the gas undertakings legislation. Will the minister inform the Chamber whether the Bill imposes those obligations on the company that would acquire AlintaGas if, God forbid, this legislation should ultimately be passed?

Mr BARNETT: If a group pays in the order of a billion dollars for AlintaGas it is hardly likely to let the asset run down. The key to making a commercial return on the investment will be to expand the customer base and provide a high standard and improved quality of service.

Mr Ripper: It might be hard pressed to service the borrowings.

Mr BARNETT: It will have every commercial incentive there. As part of the process of sale and negotiation by tender we will satisfy ourselves as to the financial standing and managerial and technical capacity of the buyers. That is a matter of course, through the negotiated sale, of the cornerstone investor.

Although no technical and safety regulations are included in the Bill - these have been deleted - the existing technical and safety law will continue to apply and during the course of the sale process and the passage of the legislation additional regulations will be put in place to achieve any other matters that arise through the change from public ownership to private ownership. I can assure members that technical and safety issues will in no way be neglected.

Mr THOMAS: I am pleased that the minister is able to advise the Chamber that, if this legislation were passed, additional regulations would ensure that the would-be owner was satisfying safety standards that might affect the public. I do not accept his point of view that a purchaser would necessarily have the commercial incentive to do so. Obviously there are situations in which that would not be the case so as to minimise costs. That must be guarded against. We saw that clearly in the case of a publicly-owned asset - the electricity supply to Auckland. The minister has told the Chamber that additional regulations will be put in place. Can he advise under what legislation those regulations will be put in place? Will they be put in place before or after the sale process is completed?

Mr BARNETT: Those regulations will be put in place under the Gas Standards Act.

Mr Thomas: What is the timing: Will that happen before or after the signing?

Mr BARNETT: They will be in place before the sale is concluded.

Mr RIPPER: The minister did not deal with the first point in the article, which related to the expected fall in the price of

state government utilities of up to 20 per cent as a result of the various disasters that have occurred. Has that been accounted for in the financial analysis provided to the State Government? If we had sold AlintaGas a year or two ago, would we have received a better price than the Government now anticipates? Does the Government intend to make the financial analysis from which the minister quoted in the second reading debate available to the public?

Mr BARNETT: I have not read that article, but I would be very surprised if those incidents were to result in a 20 per cent fall in the value of assets. It is far more likely that a countervailing far stronger force will be the timing of the sale. AlintaGas will probably be the only public utility being sold in Australia at the time. Given its outstanding safety record, that augurs well. However, those incidents remind us of the need to ensure that the regulatory process is strong and in place. That is equally true whether the utility is publicly or privately owned. One could argue that if utilities are in public ownership, there is an implicit assumption that all is being done well. Having the regulatory regime truly independent in government - that is, independent of the utility - probably ensures that, if anything, the regulator will be more assiduous in the task at hand.

Mr THOMAS: My colleague the member for Belmont asked the minister for his response to an article that suggested the return might not be as great as the Government has been advised to expect. Presumably that advice is based on past sales of public utility assets. If the bids are not as high as anticipated - we hope that is not the case - is there a threshold below which the minister will not continue with the sale?

Mr Ripper: A reserve price.

Mr THOMAS: Yes. Clause 6 provides that the minister may make an order for the disposal referred to in proposed section 5(1). It would appear that the Bill does not impose an obligation on the minister to sell the asset. Is there a level below which the minister is not prepared to go if the article is correct and there is a 20 per cent reduction in the value of public utility assets? Would that be a sufficient reduction for the minister to decide not to proceed with the sale? We know the cash flow and the consequences for public finances of not proceeding with the sale.

Mr BARNETT: Of course, that is at the discretion of the Government of the day. When bids are received for the cornerstone, the Government will request a financial assessment and make a decision to accept or reject any offer. There is no formal reserve price but, as I said in my second reading response, the financial analysis indicates that in public ownership AlintaGas has a value of about $700m. The market knows that, and if a company makes a bid of $500m, it will know that it is wasting its time.

Mr RIPPER: The minister has neglected to say whether the Government will make public the financial analysis from which he has been quoting.

Mr BARNETT: No, the Government will not make the financial analysis public. That would potentially jeopardise its commercial position during the sale process. I am prepared to provide some additional briefing for the member, but that would need to be on a very confidential basis, otherwise it could damage the State's commercial position in negotiating any bids.

Clause put and passed.

Clause 2: Commencement -

Mr RIPPER: This is an unusually complex commencement clause. For the benefit of the Chamber, can the minister outline the sequence of events anticipated to take place with regard to this disposal?

Mr BARNETT: The sale process will involve the preparation of a prospectus for the cornerstone. That will be advertised both nationally and internationally. Bids will be received and a lockup environment will be provided to allow inspection of all the financial material relating to AlintaGas. Much of that information will be repeated in the prospectus at the public float. A deadline will be set for bids and they will be assessed by the gas sales steering committee. It will provide advice to me, which I will take to Cabinet. If that is accepted, we will proceed to the public float, which will entail the issue of a prospectus. The lead managers will be appointed - hopefully they will be announced shortly. The public float will be conducted according to securities law. Corporate changes will take place - it will be complicated in a corporate sense in terms of the entity. Hopefully the cornerstone sale will be completed by the end of this year and the public float will happen by the middle of next year.

Mr Ripper: At what stage does the Government cease to control AlintaGas? When does the cornerstone shareholder take control?

Mr BARNETT: For example, if 40 per cent is sold to the cornerstone investor, the Government will still own 60 per cent. The majority position and effective control will be retained by the Government until such stage as the remaining portion is sold by public offer. The cornerstone will be identified but, for all intents and purposes, it will have a passive role. It will be appointed to boards, but the majority on the AlintaGas Board will be government appointees. It is intended that a subset of the existing AlintaGas Board will continue through the transition period. The Government will retain the chairmanship of AlintaGas and the majority of the board until the completion of the process.

Mr Ripper: The Bill makes reference to a committee of persons which might issue directives and take over functions of the AlintaGas Board.

Mr BARNETT: That is the steering committee.

Clause put and passed.

Clause 3: Definitions -

Mr THOMAS: We have a circular system here. Definition clauses are a very important part of any legislation in defining words which subsequently appear. The definition of words like "cornerstone" is important. "Cornerstone investor" is defining in that it "has the meaning given by section 5(5)(a)". "Specified percentage", which is an important phrase in relation to cornerstone investors, also has a meaning given in proposed section 5(5)(a). However, proposed section 5(5)(a) reads -

> for a person (the **"cornerstone investor"**) to become entitled to a percentage specified by the order (the **"specified percentage"**) of the shares in the corporate vehicle through a tender process described in the order; and . . .

Clause 5(5)(a) uses the phrases "cornerstone investor" and "specified percentage", but does not define them. The definition clause refers back to clause 5(5)(a), so we have a circular series of references but the words are not defined. If any doubt arises, one could use the Interpretation Act and refer to the minister's words in the second reading speech. Again, I do not necessarily find a good definition to be gleaned from the second reading speech.

One may say that the words have their normal meaning in language rather than requiring a statutory definition. Nonetheless, the interpretation clause of the Bill sought to give the terms a statutory definition, yet the Bill provides no assistance in finding out their meaning. Would it not be better if an amendment were to be placed in the Bill at this stage or in another place with a better definition of both phrases? A lot turns on those terms, which are important parts of the process. They require a precise definition in such legislation.

Mr BARNETT: The effect of the definition is simply to state that the cornerstone investor, as used in everyday language in this field, is the initial large shareholder who will own somewhere in the range of 40 to 49 per cent of the company. It is that simple. What specific share that shareholder will end up owning will either be predetermined when the tenders go out, or, as is more likely, will be negotiated through the tender process. One may find that people will put in bids for anywhere between 43 and 49 per cent. The Government may choose one of those figures or specify that it will sell 46 per cent, or whatever, when the tenders go out. They will bid across a range of prices across that shareholding from 40 to 49 per cent.

Mr THOMAS: I thank the minister. I am not surprised by what he said. My point is that the Bill does not state that the percentage is to be specified by an order issued under the Bill. The minister assumes that that will be the case, but the Bill does not say so. I see further down in clause 5 that the percentage is outlined, but no definition is given on what the cornerstone investor should be. The explanation given by the minister on the scheme of things is appropriate, and is what one would expect to be the case, given the second reading speech. Nonetheless, that is not what the Bill says.

Clause put and passed.

Clause 4 put and passed.

Clause 5: Disposal of business and property authorized -

Mr RIPPER: AlintaGas has been paying to the State tax equivalent payments for company tax and, I imagine, for wholesale sales tax. What will happen once it becomes a privatised entity? Presumably it will be paying company tax to the Commonwealth, and thus no longer providing that tax equivalent revenue to the State Government. The Commonwealth Government has in the past offered the State compensation for privatisation as a result of the revenue shift from the State to the Commonwealth. Will this apply on this occasion? Have any discussions taken place with the Commonwealth, and what has been its response?

Mr BARNETT: There is no specific compensation related to this measure for that matter. It is part of the general competition payments to the State. There is no obligation on the State to privatise AlintaGas for that reason. That income stream, along with the dividend income stream, is part of the valuation which placed AlintaGas's net current value at $700m. We are conscious of that aspect, which was taken into account.

Mr THOMAS: This clause and clause 6 are the key elements of the Bill regarding the basic principles about which we have concerns; namely, whether AlintaGas should be disposed of. The disposal of the business and property is authorised under clause 5, and the minister may order disposal under clause 6, which makes reference back to clause 5(1). Here we get to the principle of the Bill. The Parliament should not pass this legislation at this time, because the Government does not have a mandate to put this legislation to the Parliament. No member of this Parliament campaigned at the last election on a policy of selling AlintaGas -

Mr Osborne: The converse is true also: No member campaigned against it either.

Mr THOMAS: We certainly did. All the members of the Labor Party gave clear and explicit undertakings to oppose the sale of the energy utilities. I can show the member the material if he likes.

Mr Barnett: Apart from the pipeline.

Mr THOMAS: That is right.

Mr Barnett: You did not say that.

Mr THOMAS: We did.

Mr Barnett: You did not.

Mr THOMAS: If the minister wants to argue about whether our position on the sale of the transmission assets was ever in doubt publicly, I am more than happy to go back to the public record and show it to him, because we were publicly in favour of the sale of the Dampier-Bunbury natural gas pipeline before he was. The minister came up with some mickey mouse scheme to sell 49 per cent of it, at which point we said, "That is silly. If we are to sell it, we should sell it all, because the whole is worth more than some of the parts"; and the minister attacked and belittled us. Subsequently, of course, the minister saw the wisdom of the proposition that we were advancing. Our position on that was never in doubt. It was also never in doubt that what remained of AlintaGas - that is, the distribution and gas trading business - should remain in public ownership; and that is still our position.

Irrespective of the merit of our position, I am raising at this stage what I describe as a preliminary point; that is, no member in this House has a mandate to vote for the sale of AlintaGas. What the Government is seeking to have the Parliament dispose of under this Bill is not something that we as members of Parliament own. AlintaGas is owned by the people of Western Australia and should not be sold without the concurrence of the people of Western Australia. It is all very well for the minister to say that people always knew that the Liberal Party was in favour of privatisation; and, by implication, if they voted for the Liberal Party they were authorising the privatisation of anything that the Liberal Party happened to think of at a later stage. That is arrant nonsense. Mental telepathy is an inefficient means of communication. If the Government, or some people in the Government, were thinking of selling AlintaGas prior to the last election, or thought that might be a possibility at some stage, it should have made that clear to the people of Western Australia. The Government has no mandate to sell this asset. I will say the same thing about the Westrail assets. In our perception, the people of Western Australia are opposed to the sale of AlintaGas.

We will subsequently debate the merit of the sale of AlintaGas. The minister obviously thinks it is a good idea to sell AlintaGas. We disagree. However, that is not the point I am making at this time. Before we get to that stage, the Government must have a mandate from the people of Western Australia. If the minister thinks it is a good idea to sell AlintaGas, it should go to the next election and campaign on that; and if the Government wins that election, the Parliament will be authorised to dispose of that asset; if the Labor Party wins that election, the question will not arise. At present, the Government does not have a mandate, and no member of this Parliament is authorised by his or her constituents to vote for the sale of AlintaGas.

Mr BARNETT: The member for Cockburn argues that the Government does not have a mandate. The Government does not claim a mandate in the sense of having taken this matter to an election, but we certainly have a policy of deregulation and greater private sector involvement in the energy industry. We made this decision after the election, after the sale of the Dampier-Bunbury natural gas pipeline, and after the creation of a regulatory regime in this State, and that was the correct sequence to follow.

Mr RIPPER: One of the issues that arose with the privatisation of utilities in the United Kingdom was the huge profits that were earned by those utilities and the way in which the senior executives of those utilities rewarded themselves with substantial executive salaries. The AlintaGas annual report shows that as at 30 June 1999, the number of executives whose income and benefits from AlintaGas were within the specified bands was as follows: Six in the band from $100 000 to $109 999; one in the next $10 000 band; two in the band from $120 000 to $130 000; one in the band from $130 000 to approximately $140 000; one in the next $10 000 band; and one in the band from $380 000 to $389 999. That latter one may have been because of a redundancy package received during the 1998-99 financial year.

The Opposition has previously drawn attention to the increase in the number of senior executives in both Western Power and AlintaGas who receive a salary package of $100 000-plus. Does the minister think that with the privatisation of AlintaGas, this trend will accelerate and the executives of the new privatised entity will receive substantially increased remuneration packages? I understand that one of the problems confronting Western Power is the difficulty of competing with the private sector to attract the managerial, engineering and technical expertise it requires within the public sector salary bands that are applicable. If this is a problem for Western Power, it may also be a problem for AlintaGas. However, once AlintaGas is released from the public sector salary constraints, there may be a significant increase in both the profits of the organisation and the remuneration paid to executives so that any of the efficiency benefits of that privatisation are taken by shareholders and managers rather than made available to consumers. This was certainly the experience in the United Kingdom with regard to privatisation, to the extent that the incoming Blair Labour Government placed a large utilities windfall tax on the privatised utilities and raised about £5b from that tax. That tax was apparently politically acceptable because of public concern about the profits and salaries in the new privatised utilities.

Mr BARNETT: There is no guarantee about what will happen to the remuneration of senior executives in the organisation once it is privately owned, but it will operate under companies and securities law and will be accountable to its shareholders and owners. The reality is that salaries in the energy industry are high by nature. That is a worldwide phenomenon, and that may constrain publicly-owned utilities from attracting top quality people.

I think AlintaGas has good and professional staff at the moment and one may argue that some of them may be attracted into higher paid positions outside. We have an advantage in this State that people like the quality of life and we can often maintain top people at lower salaries than those that would apply nationally and internationally. Once AlintaGas is privatised the opportunity exists to include share ownership within employment packages for all staff. I am conscious there has been considerable disquiet in the UK about some salary levels which seemed to be excessive. We are talking about very large utilities with enormous cash flows. AlintaGas is not in that league. Within the energy industry it will be a relatively small player, even though it will have a significant position within Western Australia.

Mr RIPPER: The minister has virtually conceded my point. Once AlintaGas is privatised the remuneration of managers

and professionals employed at the highest levels will increase. The public will notice this and it will become an issue. He has already conceded that the public sector is finding it difficult to compete for this sort of expertise. Presumably the private sector will not be hamstrung in the same sort of way. The public will find that part of the gas bills they pay will be contributing to substantially increased salaries in the new privatised entity.

Mr BARNETT: I very much doubt that the regulator would be impressed by rapid rises in senior executive salaries as a justification for granting an increase in gas prices. The world just does not work that way.

Mr THOMAS: I will discuss another aspect of the basic principle of the sale of AlintaGas we are debating under this clause. I previously raised with the minister whether he had a mandate for the sale and he conceded that the Government did not have a mandate. Notwithstanding that, he is still prepared to go ahead with it. That shows the Government's commitment to the principles of democracy. I hope the minor parties join with the Labor Party in the upper House and throw out the legislation, which is what it deserves. At that point I was not debating the merit of the sale of AlintaGas but the principle of whether, in a democracy, such a major step as selling a natural monopoly to the private sector without a mandate, should be undertaken. The Government is seeking to dispose of a significant public asset without permission from the people of Western Australia who own it. The minister sits there glibly and concedes that he does not have a mandate but is still prepared to go ahead. That must be on his head and I hope ultimately in another place the legislation will be consigned to the trash heap of history which is what it deserves.

The more substantive point is the merit of the proposition. One aspect is that we are selling a natural monopoly. In the second reading debate the minister said it was not really a natural monopoly. I dispute that. I want to take up with the minister some of the points he has made. In an earlier debate I raised the question of what was a natural monopoly. The minister stood there, rocking on his heels, and pointed out that he was a former economics lecturer and asked us to define a natural monopoly. I said that my understanding was that it was a market most efficiently served by one supplier. He laughed and said that I knew little about economics.

Mr Barnett: Under your definition a newsagent in a country town would be a natural monopoly.

Mr THOMAS: I consulted an economics book and that was the definition used. Maybe the minister has used different texts.

Mr Barnett: Which one was it? It is not correct. If you want a correct definition, I will tell you. There are some sloppy books on micro-economics around. There is a book by Coplan which is good.

Mr THOMAS: The definition the minister used earlier when I asked him, because he obviously has a greater knowledge of economics than I have, did not define a natural monopoly but ascribed certain characteristics that he thought would flow from what he described as a natural monopoly. That is English, not economics. Nonetheless we both know what we are talking about and I am suggesting that AlintaGas is a natural monopoly. The service being distribution, a large proportion of its customers will not be able to access competition from another producer for the service they receive. For those customers at least, if the price is too high, they will not be able to turn to another supplier. One could say that the product is not gas, but energy, and if the price is too high Western Power is available to provide electricity. Some people are committed to one source of energy and there is a price structure which gives people a preference for gas in any event. We hope that gas suppliers will not be able to raise the price of gas to the point where people are forced to use electricity. May people have a deliberate preference for gas. We are moving to a new order of magnitude in privatisation when we start to privatise natural monopolies.

Mr BARNETT: It is simply the same argument that was heard in the second reading debate so my answer remains the same. I suggest if the member wants to debate economics, we can always do that but he should hone his skills on the difference between a monopoly and a natural monopoly.

Mr RIPPER: The minister has said that AlintaGas will be sold as a staple business with appropriate ring fencing of its constituent businesses of distribution and retail trading in gas in place. I am paraphrasing the minister's remarks when I say that. Where in the legislation can we find this condition and how exactly is ring fencing defined? What does it require the privatised entity to do to demonstrate that it has met the condition?

Mr BARNETT: The ring fencing is according to criteria laid down under the national access code and subject to the jurisdiction of the regulator. Clause 64 addresses the issue.

Mr THOMAS: We have dealt with the Government's mandate and the question of merit. We have a natural monopoly - although the minister may attempt by sophistry to suggest otherwise - in practice, as it meets the criteria in texts that I have consulted. The consumers of AlintaGas will find prices are under pressure. There is now a regulatory regime to stop price rises willy-nilly and the regulator protects customers. That is a good thing. It is necessary. Because of the natural monopoly, there will be pressure on prices. The minister has talked about the investors who are mums and dads. They will want a return on their investment. It is appropriate that they should get it, if that is to be their superannuation cheque.

Mr Barnett: Which part of the clause are you referring to?

Mr THOMAS: The fact that the Government may dispose of business. I am saying that, although the minister may think it is desirable for it to do so, we think it should not. One reason for that is that it is a natural monopoly. I have given two reasons that that should not happen: First, the Government does not have a mandate; and, secondly, it is a natural monopoly. Thirdly, it is vertically integrated. That relates to the part of the clause that talks about the disposal of the business and the property, the infrastructure, the distribution system and the gas sales business. The prevailing wisdom in the energy industry throughout Australia and in the delivery of equivalent services, be it infrastructural service, transport or water, is to separate various phases of the business when seeking to have competition in another service.

In the second reading debate earlier today, the minister said that we will have a competitive gas market in which anybody after some date in 2002 can buy gas from anybody else. Anybody else, apart from AlintaGas, who wants to go into the business of selling gas, for the most part, will do it through the pipes of AlintaGas. If a company wants to go into competition with AlintaGas in the gas trading business, it will have to do it using the distribution infrastructure of AlintaGas. That puts that potential business industry participant at a disadvantage because it must use the infrastructure of its competitor to get to the market. For the most part, it would consider that to be a disadvantage, and in most circumstances, it will be. I anticipate the minister will say that we will have a provision for ring fencing. It will separate the gas trading business from the gas distribution business, and the gas trading phase of AlintaGas will pay internally for the gas distribution phase of that same business; hence the business will be ring fenced.

I will make this point again and again: In the electricity industry, until now, not one private power supplier in this State, and I have spoken to them all, thinks the ring fencing provisions for Western Power work. They all believe that the Western Power business is conducted in such a way as to keep competitors out. The statement of claim litigation between Normandy Poseidon Limited and Western Power, which is before the High Court of Australia at the moment, is a textbook case in the use of such a position to restrict trade. For that reason, this vertically-integrated business should not be sold.

Mr BARNETT: The debate over electricity is far from finished. The development of access codes, ring fences and regulatory regimes is more advanced in this State, and perhaps nationally, for gas than it is for electricity. The ring-fencing arrangements relating to Western Power are still evolving, and the concerns of industry relate, more than anything else, to the transmission charges that will apply. That has yet to be resolved. That is the critical factor. The industry wants to know how much it will cost to wheel electricity. All sorts of extraneous arguments will come in, but at the end of the day, the industry want to know the price of wheeling power. That is the nub, the essence, of the whole issue. In this Bill the ring-fencing requirements are far stronger, and they are established. It is not like we are breaking new ground. We are simply applying a national access code that is in place for gas utilities around Australia. It is in place; it is proved; and it working.

Mr RIPPER: This is a key clause of the Bill. It authorises the State to dispose of the corporation or its property. The Australian Labor Party wishes to emphasise its objection to the privatisation of AlintaGas by opposing this clause and by dividing on the vote. At this stage, a number of other issues could be debated with regard to this clause; however, they can, and will, be debated in other clauses of the Bill. We will conclude our participation in the debate on clause 5 by saying that we particularly oppose this clause because it is one of the operative clauses that will allow the privatisation of AlintaGas.

Clause put and a division taken with the following result -

Ayes (27)

Mr Barnett	Dr Hames	Mr Masters	Mr Trenorden
Mr Bloffwitch	Mrs Hodson-Thomas	Mr McNee	Mr Tubby
Mr Board	Mrs Holmes	Mr Nicholls	Dr Turnbull
Dr Constable	Mr Johnson	Mrs Parker	Mrs van de Klashorst
Mr Cowan	Mr Kierath	Mr Pendal	Mr Wiese
Mr Day	Mr MacLean	Mr Prince	Mr Osborne *(Teller)*
Mrs Edwardes	Mr Marshall	Mr Shave	

Noes (17)

Ms Anwyl	Mr Graham	Mr Marlborough	Mr Ripper
Mr Bridge	Mr Grill	Mr McGowan	Mrs Roberts
Mr Brown	Mr Kobelke	Ms McHale	Mr Thomas
Mr Carpenter	Ms MacTiernan	Mr Riebeling	Mr Cunningham *(Teller)*
Dr Edwards			

Pairs

Mr House	Dr Gallop
Mr Omodei	Mr McGinty
Mr Court	Ms Warnock

Clause thus passed.

Debate adjourned, on motion by Mr Barnett (Minister for Energy).

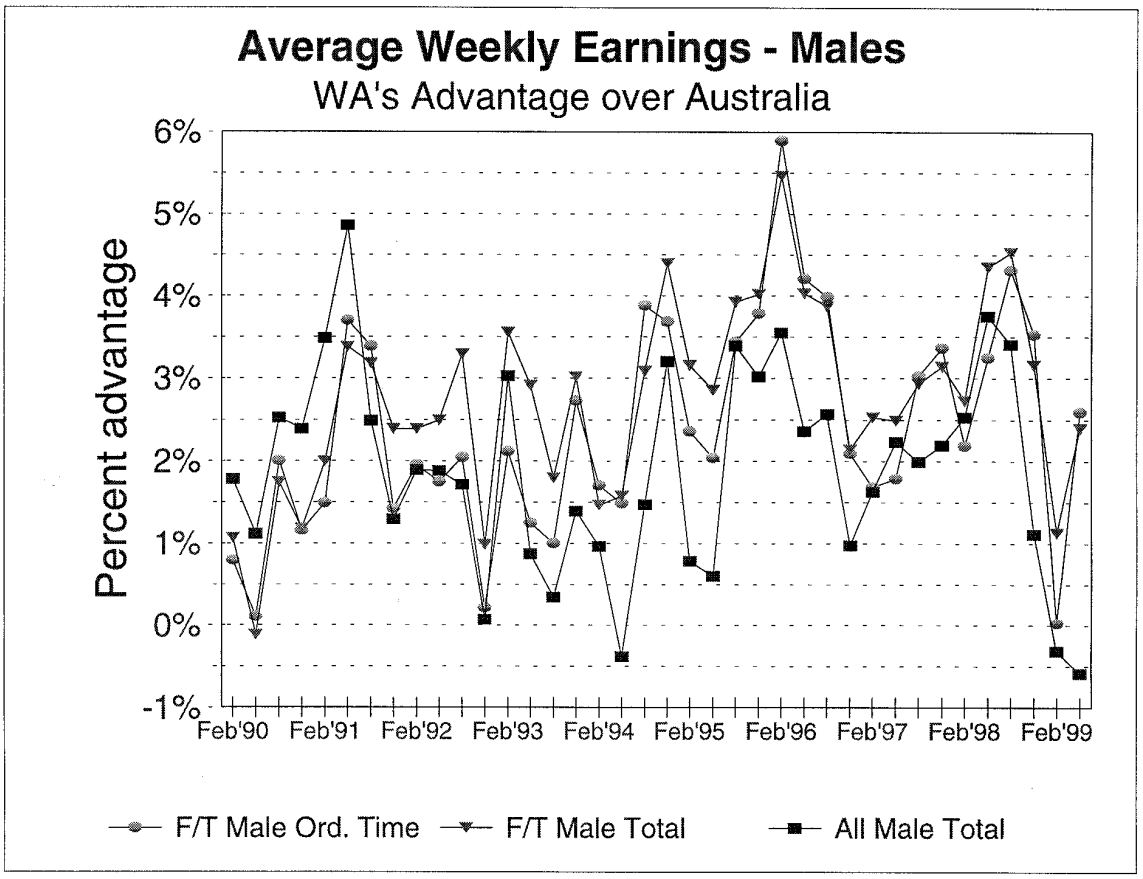
WORKERS' COMPENSATION AND REHABILITATION AMENDMENT BILL 1997

Council's Message

Message from the Council received and read notifying that it did not insist on its amendments Nos 1 and 2, that it disagreed with the Assembly's substituted new amendment No 3, and that it proposed a new amendment as an alternative to the Assembly's substituted new amendment in which further amendment, the Legislative Council desires the concurrence of the Legislative Assembly.

House adjourned at 4.51 pm

APPENDIX A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WA's Advantage over Australia
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5%
4%
3%
2%
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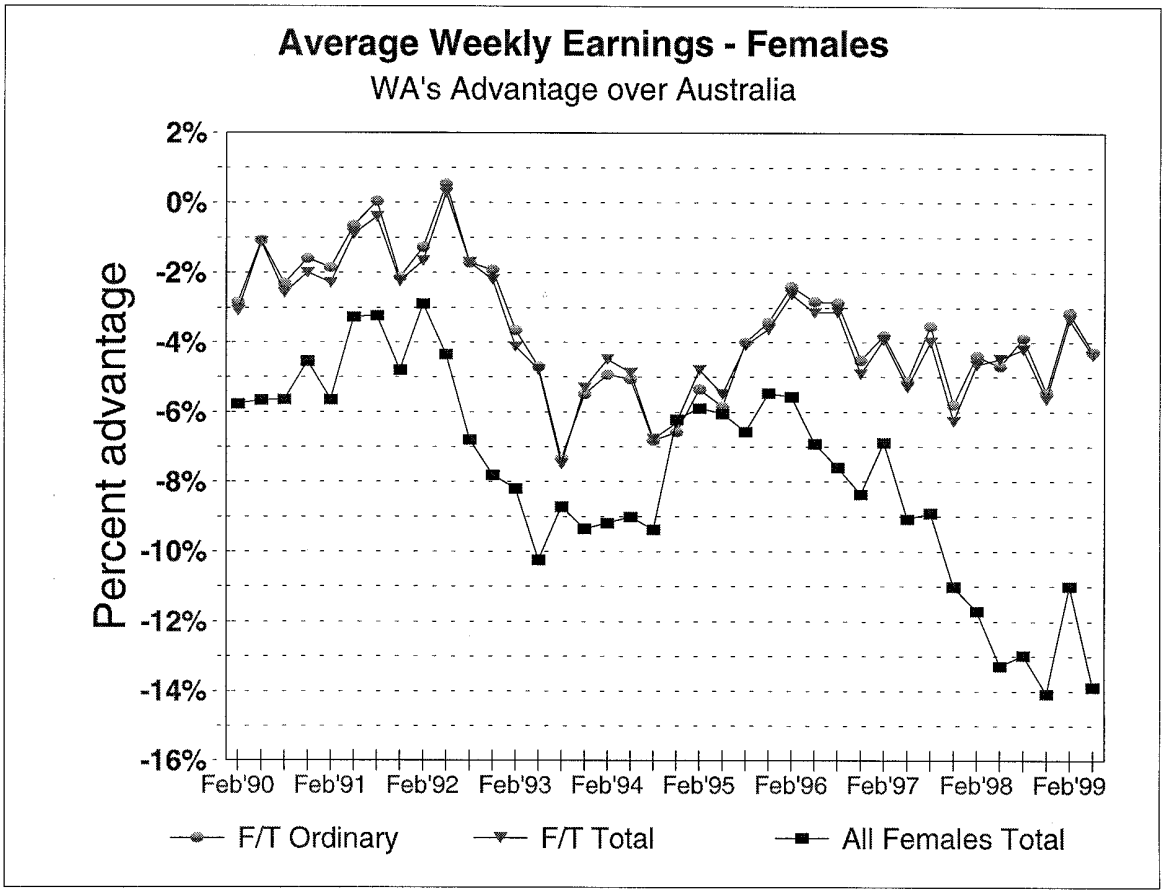
All Male Total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WA's Advantage over Australia
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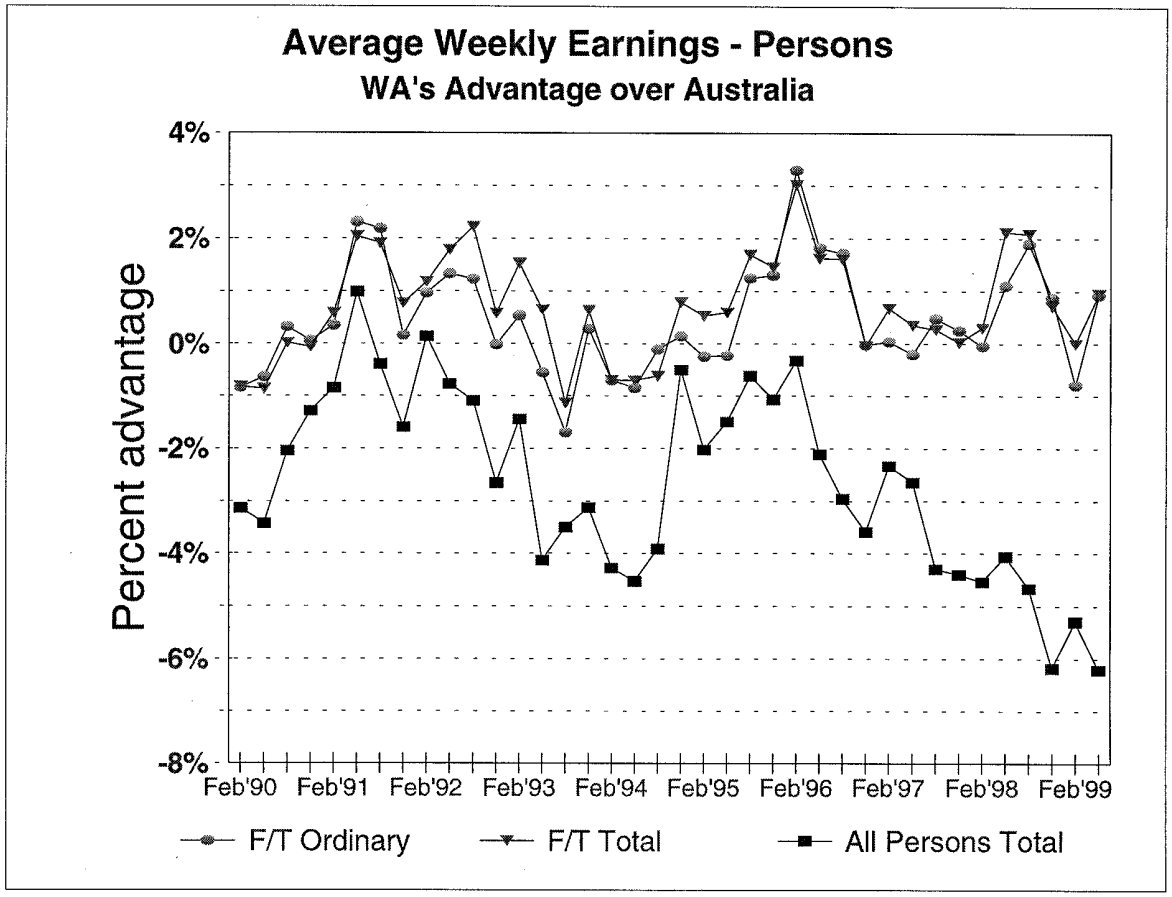
F/T Ordinary
F/T Total
All Females Total


Average Weekly Earnings - Persons
WA's Advantage over Australia
Percent advantage
4%
2%
0%
-2%
-4%
-6%
-8%
Feb'90
Feb'91
Feb'92
Feb'93
Feb'94
Feb'95
Feb'96
Feb'97
Feb'98
Feb'99
F/T Ordinary
F/T Total
All Persons Total

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

OLD TREASURY BUILDING, RESTORATION

152. Ms McHALE to the Treasurer:

I refer to the Old Treasury Building and ask -

(a) does the Government stand by its 1993 election commitment which agreed "To move to restore and refurbish the Old Treasury and convert it into a home for Government, probably housing Government offices and serving as the headquarters for the Cabinet and Secretariat";

(b) if not, why not;

(c) how many Expressions of Interest were received to utilise the Old Treasury Building; and

(d) when will the Government make a decision on the future of this immensely historic building?

Mr COURT replied:

(a)-(b) The current policy is to conserve the buildings' significant heritage values and the visual ambience of the heritage precinct. This will be achieved by pursuing private sector redevelopment for a functional use which achieves a positive financial outcome for the State. Options for adaptive re-use within government have been considered but, given the high cost of refurbishment (approximately $40 million), economical uses cannot be justified.

(c) Four.

(d) Within the next 3-4 weeks.

GOVERNMENT CONTRACTS, IN EXCESS OF $50 000

201. Mr BROWN to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

(1) How many contracts of $50 000 or more (excluding employment contracts) has each department or agency under the Premier's control entered into between 1 April 1999 and 31 May 1999?

(2) What was the amount of each contract?

(3) What is the name of each person/entity with whom the contract has been entered into?

(4) What is the nature of the work or services required by the contract?

(5) What is the completion date of each contract?

Mr COURT replied:

I am advised that :

Gold Corporation

(1) Gold Corporation (GC) regularly enters into agreements with bullion banks to purchase precious metals in excess of $50,000. But these routine balancing transactions are part of the Corporation's normal course of business. Apart from such routine transactions, GC did not enter into any contracts for external advice or assistance in the provision of goods and services between 1 April, 1999 and 31 May, 1999.

(2)-(5) Not applicable.

Office of the Auditor General

(1) One.

(2) $186 500 per year for 3 years.

(3) Hall Chadwick.

(4) Audit Services.

(5) 3 year term, contract expires after the completion of the audit for the financial year ending June 30, 2001.

OMBUDSMAN, CONTRACTS

234. Mr BROWN to the Premier:

(1) Has a specialist "contracts ombudsman" been established within the Office of the Ombudsman?

(2) If yes, when was it established?

(3) If no, why hasn't this election commitment been met?

Mr COURT replied:

(1)-(3) The need for establishing a position such as a 'contracts ombudsman' is being considered as part of the review of the State Supply Commission Act. The Report of the Crown Solicitor was recently tabled in Parliament. The Minister has established a Ministerial Consultative Committee and consultation is currently being undertaken with key stakeholders, including all Members of Parliament, on the Report's recommendations. At present there is provision, under the Government Purchasing Charter, for supplier complaints to be independently investigated by the State Supply Commission.

FAIR TRADING, UNCONSCIONABLE CONDUCT LEGISLATION

299. Mr BROWN to the Minister for Fair Trading:

(1) Has the Government given a commitment to introduce legislation prior to 30 June 2000 to introduce unconscionable conduct legislation which will protect the interests of small retailers?

(2) If not, when does the Minister envisage the Government will introduce such legislation?

Mr SHAVE replied:

(1) I can confirm the undertaking given on my behalf during the passage of the commercial tenancy legislation through the Council last year that I will take an unconscionable conduct proposal to Cabinet with a view to introducing relevant legislation into Parliament by June 2000.

(2) Not applicable.

WATER CORPORATION, FORMER ERNST & YOUNG EMPLOYEES

535. Mr RIPPER to the Minister for Water Resources:

(1) Are there any former employee/s of Ernst and Young currently employed by the Water Corporation?

(2) If the answer to (1) above is yes -

(a) on what date were they employed with the Water Corporation;
(b) what position/s do they hold with the Water Corporation; and
(c) what position/s did they hold with Ernst and Young?

Dr HAMES replied:

(1) One.

(2) (a) 14 December 1998.
(b) Manager, Management Review and Audit.
(c) Manager Audit.

HOMESWEST, SENIORS ACCOMMODATION

552. Mr RIPPER to the Minister for Housing:

How does Homeswest ensure that the design of its seniors accommodation is adapted to meet the special needs of seniors?

Dr HAMES replied:

The design, layout and location of Homeswest aged persons accommodation is undertaken with specific recognition to the needs of seniors. The Ministry of Housing ensures that all aged persons accommodation is situated in close proximity to shopping, medical, public transport and other services and facilities. The Ministry also undertakes consultation with relevant stakeholders such as the Australian Pensioners League and the Office of Senior's Interests. Special design features included in the construction of all new aged persons accommodation are:

- Barrier screens to doors and opening windows
- 820mm doors throughout
- Grabrails
- Open floor plans
- Elevated stoves
- Minimal site slopes to meet AS 1485 requirements

To ensure the properties meet the needs of seniors clients the Ministry of Housing also uses the services of occupational therapists and specialist architects in the design of accommodation. The special design features included in aged persons accommodation enable the units to be modified to meet the individual needs of clients with specific medical or mobility requirements. The Ministry undertakes a customer satisfaction survey each year which provides clients, including seniors, with the opportunity to comment on their accommodation and to raise any concerns they may have. All comments made by customers in the survey are included for consideration in future programs.

BUNBURY CITY COUNCIL, AMENDMENT TO TOWN PLANNING SCHEME

558. Dr GALLOP to the Minister for Planning:

(1) Has the Minister received advice from the Western Australian Planning Commission on the Bunbury City Council's request for approval to Amendment No. 179 to its Town Planning Scheme No. 6?

(2) If the answer to (1) above is yes, has the Minister made a decision on this request?

(3) Will the Minister table this decision?

(4) If no decision has been made when does the Minister expect to be in a position to make the decision?

Mr KIERATH replied:

(1) Yes.

(2)-(3) No.

(4) A decision will be made once I have had an opportunity to assess the submissions and the recommendation of the Western Australian Planning Commission which will occur shortly.

BINDI BINDI COMMUNITY ABORIGINAL CORPORATION, BY-LAWS

567. Mr BROWN to the Minister for Aboriginal Affairs:

(1) Has the Aboriginal Affairs Department received the by-laws from Bindi Bindi Community Aboriginal Corporation?

(2) On what date were the by-laws received by the Department?

(3) Has the Department -

(a) examined;
(b) recommended approval,

of the by-laws?

(4) Has the Minister approved the by-laws?

(5) If not why not?

(6) What needs to happen for the by-laws to be approved?

Dr HAMES replied:

(1) The Aboriginal Affairs Department has received a request from the Bindi Bindi Aboriginal Community to be included as a community to which the *Aboriginal Communities Act 1979* applies and to then make by-laws under that Act to regulate matters within the boundaries of their community lands. Bindi Bindi also provided the Department with a draft of the by-laws that it would like to make.

(2) The written application from the community was received on 18 May 1998.

(3) (a) The Department has examined the draft by-laws provided by Bindi Bindi and has provided the community with two subsequent revised versions of the by-laws for its consideration and approval;

(b) The Department has submitted a final version of the proposed by-laws to Bindi Bindi for approval by the community.

(4) The proposed by-laws will be submitted to the Minister for consideration and submission to Cabinet following approval for the by-laws being provided by the Office of Parliamentary Counsel.

(5) Refer to question 4.

(6) For the proposed by-laws to be approved and to come into effect the following process is followed:

- Draft by-laws as approved by the Community Council are submitted to Parliamentary Counsel for final checking and revision;
- Proposed by-laws are submitted to Cabinet by Minister for Aboriginal Affairs for approval and submission to the Governor in Executive Counsel;
- Governor in Executive Council proclaims by-laws and area of land to which they are to apply;
- By-laws and notice of the lands to which they apply are published in the Government Gazette;
- Copies of by-laws provided to Parliamentary Joint Standing Committee on Delegated Legislation for its information and approval.

AVON RIVER MANAGEMENT AUTHORITY, CHAIRPERSON AND COMMUNITY MEMBERS

578. Dr EDWARDS to the Minister for Water Resources:

(1) Have the positions of Chairperson (1) and Community Members (5) for the Avon River Management Authority been filled?

(2) If yes, will the Minister state -

(a) the names of the successful applicants;
(b) the relevant criteria of each new member and chairperson;
(c) the remuneration of members and chairperson;
(d) the appointment dates of each appointee?

(3) Have the positions of Chairperson (1) and Community Members (3) for the Wilson Inlet Management Authority been filled?

(4) If yes, will the Minister state -

(a) the names of the successful applicants;
(b) the relevant criteria of each new member and chairperson;
(c) the remuneration of members and chairperson;
(d) the appointment dates of each appointee?

Dr HAMES replied:

(1) No.

(2) Not applicable.

(3) No.

(4) Not applicable.

NORTHBRIDGE URBAN RENEWAL PROJECT, PROJECT MANAGER AND MARKETING CONSULTANT

584. Ms MacTIERNAN to the Minister for Planning:

I refer to the advertisement in the Government Tenders page of *The West Australian* newspaper of 27 June 1998, and ask -

(a) who was appointed as Project Manager of the Northbridge Urban Renewal Project; and

(b) who was appointed as Marketing Consultant for the Northbridge Urban Renewal Project?

Mr KIERATH replied:

(a) Coney Stevens Project Management Pty Ltd.

(b) John Davis Advertising Pty Ltd.

KEEP AUSTRALIA BEAUTIFUL COUNCIL, ADOPT-A-HIGHWAY SPONSORSHIP PROGRAM

587. Ms MacTIERNAN to the Minister for Local Government:

I refer to the advertisement in the Government Tenders pages of *The West Australian* newspaper of 28 August 1999 advertising the 'Keep Australia Beautiful Council's (KABC) Adopt-A-Highway' sponsorship program, and ask -

(a) which freeways, highways and roads will be subject to this sponsorship;

(b) what length/s of road will be sponsored by participants;

(c) what is the cost of sponsoring a strip of road; and

(d) what is the anticipated annual financial benefit to the KABC and Main Roads from the program?

Mr OMODEI replied:

Phase 1 of the program will incorporate sections of the:

Kwinana and Mitchell Freeways -

The approach roads to: Manjimup
Kalgoorlie
Geraldton
Northam

(b) Metro areas: 5 kms
Country areas: 10 kms

(c) This will be determined through the tender process. Sponsors will set the market value.

(d) Unknown until tender process is complete.

QUESTIONS WITHOUT NOTICE

WORKERS COMPENSATION, LEGISLATIVE COUNCIL AMENDMENTS

198. Mr KOBELKE to the Minister for Labour Relations:

(1) Did the package of workers compensation changes that passed the Legislative Council last night achieve at least the level of initial savings of the Government's proposed amendments?

(2) Will the Government undertake to provide actuarial assessments of the Legislative Council amendments and any variations proposed by the Government prior to the debate in this House on these matters?

Mrs EDWARDES replied:

(1)-(2) As discussed, we have provided all the actuarial advice to the Opposition throughout our discussions, as requested. The actuarial advice to which the member for Nollamara referred is under way, but I have not yet received it. As soon as I receive it, we will sit down together and talk about it. I have tried to make the point constantly that it is not just a matter of making savings, but when they can be achieved and when they can be passed onto the employers who pay for the workers compensation system in their premiums. We are also attempting to ensure sustainability in future years. That is the critical issue about the advice and its interpretation.

Mr Kobelke: Are you confirming the level of savings in our package is comparable to the Government's savings?

Mrs EDWARDES: As I said initially, I have not received the advice, but the Opposition will receive it as soon as I do; I do not have a problem with that. As I said, the real issue is the interpretation of the actuarial advice. People are hurting. If we cannot reduce the premiums for the benefit of places such as aged care homes and the Disability Services Commission, which have renewed their premiums for six months pending an outcome from this Parliament, the Government and the Opposition will have failed.

METROPOLITAN HOSPITALS, BUDGETS

199. Mr BARRON-SULLIVAN to the Minister for Health:

Has any progress been made towards determining the individual metropolitan hospital budgets from the allocation made to the Metropolitan Health Service out of this year's record high health budget?

Mr DAY replied:

As I have indicated in here previously, much work has been undertaken by the Metropolitan Health Service to finalise the budgetary allocations for the metropolitan hospitals. Unlike the Opposition, this Government delivers and I am making the information available today, now that it has been finalised by the Metropolitan Health Service. I am happy to reiterate that there will be an increase in the overall funding available to our metropolitan hospitals. For example, the budgetary allocation for Royal Perth Hospital in this financial year is $261.3m; for Sir Charles Gairdner, $178.3m; for Princess Margaret Hospital for Children and King Edward Memorial Hospital, $138.2m; and for Fremantle Hospital, $132.4m. I am sure everyone will agree they are substantial allocations from our Health budget. I will table in a moment the allocations for the other hospitals.

It is important to also realise that, in addition to those figures, a pool of funds totalling $12.5m, managed centrally by the Metropolitan Health Service Board, will be allocated as the board sees fit over the financial year. In addition, all of our public hospitals have access to the special pool of funds for increased elective surgery. We anticipate that in the order of $18m will be available to the Metropolitan Health Service for that purpose in this financial year.

It is my pleasure to table the information on budgets for our public hospitals within the metropolitan area.

[See paper No 146.]

I advise also that the Metropolitan Health Service will release further explanatory information for the media later this afternoon.

WESFARMERS CSBP LTD, MONTHLY SAMPLING FOR CONTAMINANTS

200. Dr EDWARDS to the Minister for the Environment:

I refer to section M14 of Wesfarmers CSBP's Department of Environmental Protection licence that requires analysis of monthly samples of contaminants, including arsenic, discharged into the marine environment.

(1) On what date did CSBP last undertake monthly sampling for arsenic?

(2) Did CSBP regularly undertake sampling for arsenic on a monthly basis?

(3) Were these results forwarded to the Department of Environmental Protection as required?

Mrs EDWARDES replied:

(1) The monthly samplings as required under the licence are derived from composite daily samples which are later analysed for the various metals that are listed in the condition. The last monthly sampling for arsenic was undertaken on 31 August 1999.

(2)-(3) Yes.

GOLDFIELDS, MINERAL EXPLORATION REGIONAL AGREEMENT

201. Mr SWEETMAN to the Premier:

In a recent letter to the Editor of the *Kalgoorlie Miner*, the member for Kalgoorlie called for a regional agreement to free up land for mineral exploration in the goldfields. How effective will such a regional agreement be in the goldfields?

Mr COURT replied:

I thank the member for the question. I know he has an interest in some of these matters in his electorate. I have read the article. The member for Kalgoorlie is pleading the case for regional agreements.

Ms Anwyl: Like every other State in Australia.

Mr COURT: I suggest that the Goldfields Land Council has told the member that we can put together a regional agreement for the goldfields. Does she believe that can be done?

Ms Anwyl: There is only one regional agreement. You have sabotaged talks that have been occurring.

The DEPUTY SPEAKER: The member for Kalgoorlie will come to order.

Ms Anwyl: He asked me a question and I'm answering him.

The DEPUTY SPEAKER: The member for Kalgoorlie has not been asked a question; she is sitting in her seat.

Mr COURT: The regional agreement is an agreement involving the Government with a representative body and a group of claimants covering a large area involving a range of activities or issues. The term "regional agreement" has been thrown around too loosely by the Opposition with the suggestion that it is the panacea for these native title issues.

Ms Anwyl: It works in Queensland.

Mr COURT: The member for Kalgoorlie should pull the other leg. For a regional agreement, or an indigenous land care agreement, it is important that the -

Dr Gallop: This is the litigation king using taxpayers' money to carry out his own prejudices.

Mr COURT: The Leader of the Opposition should let me finish. The Opposition is saying that this is a panacea and I want to explain the situation in the goldfields. A responsible Government must ascertain for its own purposes whether native title exists and, if so, how much is left; who might be the native title holders; what authority the negotiating representatives have; and whether others might make claims. Until there is a determination of native title, the prospect will always exist of challenge from native title parties who were not parties to that agreement.

I refer to the Wongatha claimant group to which the member for Kalgoorlie referred. It is often suggested by the member for Kalgoorlie that the Government should enter into agreement with this group, which claims it is the native title owners for that country. The overlapping claimants will strongly object to any agreement between the Government and the Wongatha group as not being inclusive of all the native title holders. Disputes between the rival groups have escalated. The registration of that claim has been challenged by another representative body that argues that the claim was not properly certified and that another group has a superior claim to part of the land. I ask the member how the Government can negotiate with that level of dispute among different claimant groups. One claimant is now saying that she was not consulted and did not give any instructions for the combination. The other argues that she did not understand what she signed. It is pretty obvious that it is virtually impossible to reach an agreement in that situation.

Mr Ripper: It is impossible if you have no goodwill.

Mr COURT: No. I will explain what a responsible approach is. This Government is committed to entering into agreements with native title parties, but it is acting responsibly. An example of that is the agreement it is negotiating with the Spinifex people, which in many ways will be a benchmark. We do not have the problem of the disputes among competing groups for the land. There is no dispute about that land and the Government, in a responsible way, will enter into an agreement.

The member is suggesting that she has a panacea for dealing with these native title agreements in the goldfields. Two people are calling the shots in this matter. The Labor Party in this case is doing the bidding of the Goldfields Land Council, when it knows that some Aboriginal groups do not go along with that. In relation to the Labor Party as a whole, it has become obvious that members opposite do not make the decisions on native title.

Ms MacTiernan: Who does?

Mr COURT: Your wise men from the east in Mr Beazley's team. It is a gentleman called Mark McGaw.

Dr Gallop: You've got that wrong.

Mr COURT: Why?

Dr Gallop: I think his name is Michael.

Mr COURT: McGaw is the person who gives members opposite their instructions in relation to native title matters, and the Leader of the Opposition knows that. Members opposite must make a decision in relation to two Bills that will come before this Parliament. I suggest that the Labor Party members in this State make the decision and not allow people in Canberra to tell them what their decision will be on native title.

Dr Gallop: The Premier is a wrecker, and his position is based on his family's prejudices against indigenous people.

Withdrawal of Remark

Mr COWAN: The interjection made by the Leader of the Opposition against the family of the Premier is unparliamentary and it should be withdrawn.

Mr KOBELKE: I do not believe it is a point of order. None of the words used by the Leader of the Opposition was unparliamentary, and the comments alluded to the motivations of the Premier with regard to the decisions made in this matter. It is a matter of political debate, and we are happy to debate it at any time. It cannot be ruled out of order on the basis of the language that may be used in this Parliament.

The DEPUTY SPEAKER: I did not hear what the Leader of the Opposition said because there was so much noise in the Chamber. If the Leader of the Opposition thinks that he in any way impugned the family of the Premier, I ask him to withdraw the comment. If he feels that he did not, by all means do not withdraw it.

Dr GALLOP: I was pointing to the long term historical record of the Premier and his father in relation to Aboriginal issues in this State. If the Premier feels that I have personally upset him and his family, I apologise. I am referring to the political positions they have taken over many years against the rights of Aboriginal people in this State.

Questions without Notice Resumed

FALCONER, MR BOB, LEGAL COSTS

202. Mrs ROBERTS to the Minister for Police:

I refer to the criminal charges against former Commissioner of Police, Bob Falconer, and ask -

(1) Is the Government funding his legal costs?

(2) If so, is the Government placing a cap on these costs?

(3) How much has been spent on Mr Falconer's legal costs to date?

(4) Has the Government ever previously supplied funds for the defence of a police officer who has been committed for trial on criminal charges; and if so, will the minister name the officers?

Mr PRINCE replied:

(1) Yes, and in accordance with the guidelines first handed down by the Dowding Government in the Legislative Council on 10 July 1990. The guidelines have subsequently been amended, but the general guidelines are those put in place almost 10 years ago.

(2) The normal limit, in accordance with those guidelines, is $50 000. There is no specific cap on the costs, but that is the normal limit.

(3) Nothing, because the legal advisers have not yet submitted an account. If I recall the guidelines correctly, when accounts are submitted they go through the Solicitor General's Office for review to check that they are correct.

(4) Yes, lots of times and lots of money through the Police Union, and to Labor Party member Mr Quigley.

CITY OF COCKBURN, ELECTION

203. Mrs HOLMES to the Minister for Local Government:

With the recent announcement by the Minister for Local Government of the extension of time for the report on the inquiry into the City of Cockburn, there is some community concern about when an elected local government will be returned. Will the minister please advise of the possible scenarios for the next election, as this is an important matter for my constituents in Southern River who live in the City of Cockburn?

Mr OMODEI replied:

I thank the member for some notice of the question. I have agreed to the request by the inquirer for an extension until the end of February 2000. In his report the inquirer must recommend either the dismissal of the suspended council or its reinstatement. Prior to making any decision, I must undertake statutory consultation with the suspended councillors and also the commissioners. Should the inquiry recommend reinstatement, I am bound by the provisions of the Local Government Act to reinstate and this would occur after the elections were held for the seats of those councillors whose terms expired in May 1999. Should the inquiry recommend dismissal, the minister has the discretion to reinstate or dismiss.

In the event of reinstatement or dismissal, the very earliest an election could be held would be July 2000. In the event of reinstatement, the latest date would be April 2001, two years from suspension. In the case of dismissal, the latest date for an election would be two years from the date of dismissal.

As Minister for Local Government, I strongly support elected local government, and I will ensure that in either outcome an election is held as soon as practicable. The actual date could be affected by administrative and policy decisions of the commissioners, such as postal voting, ward boundaries and representation reviews.

GOVERNMENT CONTRACTS

204. Mr BROWN to the Minister for Works:

With respect to government contracts, I ask -

(1) Has the Government implemented a process under which head contractors are not paid until they certify by statutory declaration that all subcontractors have been paid?

(2) If so, when was that implemented?

(3) Have there been cases in the past two years of subcontractors not being paid for work they have completed on government contracts?

(4) If so, of how many cases is the minister aware and what action has the Government taken to help subcontractors recoup their money?

Mr BOARD replied:

(1)-(4) I could have given the member a more specific answer, had he given me some notice. However, in general there are no specific arrangements other than those between the Buying Wisely program and the standards set by the State Supply Commission and adopted through the Works policy. The head contractor who has a contract with a particular agency is expected to follow an ethical process in subsequent subcontracting. However, subcontracting arrangements between the subcontractor and the contractor is a matter between them. There are a number of situations in which the Department of Contract and Management Services has been involved. We are currently involved in one in the south west where we are working through the issues where a contractor has failed to pay subcontractors on time, and there are penalty clauses and so forth involved in any further action to be taken. However, if the member gives me specific information about any concerns he has with a contract, I will follow those through to ensure a reply is forthcoming about that individual case.

SOUTH WEST HEALTH CAMPUS, UNPAID SUBCONTRACTORS

205. Mr BROWN to the Minister for Works:

Is it true that the head contractor involved in the construction of the South West Health Campus has not paid a number of subcontractors for work they performed, despite that head contractor being paid by the Government?

Mr BOARD replied:

I have had no indication from CAMS about any unpaid subcontractors of that particular contractor. However, as the issue has been raised, I will investigate it and come back to the member.

SMOKE DETECTORS, HOMESWEST HOUSES

206. Mr OSBORNE to the Minister for Water Resources:

In the news today there are renewed warnings about fire dangers associated with cooking in the kitchen, with fire and rescue services being called to six house fires in the past three days. What action is Homeswest taking to comply with the requirements that all new houses be fitted with smoke detectors?

Dr HAMES replied:

I thank the member for some notice of this question. The member will be aware that there are requirements now to have smoke detectors fitted in all new homes; Homeswest has been doing that since 1997. The Government also instigated a program in that year to retrospectively fit all Homeswest accommodation with smoke detectors. We are progressing very well with that program; the budget is $5.3m for that five-year period. So far we have fitted smoke detectors to all of the houses of people with disabilities and all of the houses of seniors, other than a few that are left. We are therefore very close to finishing that component of the program. It is a great benefit to all of those seniors and people with disabilities to have those smoke detectors in place. The program should be completed by the year 2001.

WORKSAFE SAFETY COMPLAINTS, FOREST PROTESTS

207. Dr EDWARDS to the Minister for Labour Relations:

(1) Is the minister aware that Mr Peter Shaw, executive director of the WorkSafe Western Australia Commission, confirmed that WorkSafe inspectors have been directed not to investigate safety complaints where there is a forest protest activity?

(2) Did the minister direct WorkSafe not to investigate safety complaints in the forest where there is a protest activity?

(3) If not, who issued that directive?

(4) Why was the decision made not to investigate safety complaints in the forest?

Mrs EDWARDES replied:

(1)-(4) I certainly did not direct that and my advice from the WorkSafe Western Australia Commission is that neither did Peter Shaw so direct. This information is pretty old as it came up in an Albany court case more than a month ago and has been well and truly canvassed in the public arena.

PARKS AND RESERVES BOARD, PROCEEDINGS COMMENCED

208. Mr BAKER to the Minister for Lands:

Can the minister please provide this House with a brief report concerning the number of proceedings commenced in the past five years by the Parks and Reserves Board, relying upon section 12A of the Parks and Reserves Act?

Mr SHAVE replied:

I thank the member for some notice of this question. A number of boards were created under the Parks and Reserves Act 1895, some of which report to other ministers. They include the Recreation and Camps and Reserves Board, reporting to the Minister for Sport and Recreation; the Burswood Park Board, reporting to the Minister for Racing and Gaming; the Parliamentary Reserve Board, reporting to the Minister for Lands; the Government and Parliament Precinct Board, reporting to the Minister for Lands -

Mr Brown: That's you!

Mr SHAVE: That is me. They also include the Government Domain Reserve Board, reporting to the Minister for Lands.

Mr Brown: That's you again!

Mr SHAVE: I tell members that last bloke has a heavy workload!

In addition, until 1 July 1999, the Kings Park Board was constituted under the Parks and Reserves Act 1895 to manage the reserves of Kings and Bold Parks; that board reported to the Minister for the Environment. The Botanic Gardens and Parks Authority Act 1999 was proclaimed on 1 July 1999 which proclamation dissolved the Kings Park Board and created the Botanic Gardens and Parks Authority. Finally, pursuant to section 3.54 of the Local Government Act 1995, local governments are authorised to exercise powers under section 5 of the Parks and Reserves Act 1895 in relation to reserves which have been vested in them under the Land Act 1933.

In response to the question asked by the member for Joondalup, I cannot advise on actions under section 12A of the Parks and Reserves Act 1895 commenced in the past five years by boards reporting to other ministers or to local governments. I am informed by those boards which do report to me that there have been no actions of this nature commenced in the past five years.

WORKSAFE SAFETY COMPLAINTS, FOREST PROTESTS

209. Dr EDWARDS to the Minister for Labour Relations:

Given the minister's previous response relating to the statements of Mr Peter Shaw, how does she account for the fact that in the transcript of the case Mr Peter Shaw said that inspectors were directed not to investigate forest protests?

Mrs EDWARDES replied:

The advice I have from the WorkSafe commissioner, when I have been previously questioned on this matter on numerous occasions over the past month, is that he did not direct them not to go in.

Dr Edwards: Who is telling the truth?

Mrs EDWARDES: I will ask the WorkSafe Commission, but it certainly was not me who gave such direction.

Dr Edwards: What about the executive director?

Mrs EDWARDES: We take very seriously the whole issue of WorkSafe practices down there in the forest and members of the WorkSafe Commission do go out and look at those complaints. When complaints are raised -

Dr Edwards: You don't. It is in the transcript.

Ms MacTiernan: Either the minister or the other party is telling lies.

Mrs EDWARDES: When complaints are raised that there is a particular -

Mr Ripper: Just because you say black is white does not mean that is the case.

Withdrawal of Remark

The DEPUTY SPEAKER: I ask the member for Armadale to withdraw that last comment.

Mr GRAHAM: On the point of order, Mr Deputy Speaker, what is it that you are asking the member for Armadale to withdraw? The member for Armadale said quite clearly that she knows who is telling lies. That is neither unparliamentary nor outside the rules.

Mr SHAVE: The member for Pilbara is short on memory. The member for Armadale said either the minister or the other party was telling lies.

The DEPUTY SPEAKER: That is exactly the way I heard it but not in her usual loud voice. I ask the member if the way I thought I heard it was the way that it was said and if so I ask her to withdraw it.

Ms MacTIERNAN: Mr Speaker, you heard correctly. However, I am puzzled to see why one should withdraw that. It is simply a matter of logic. You cannot have the minister making a statement that this did not happen and another person saying that it did. I withdraw the statement.

The DEPUTY SPEAKER: I remind the member for Armadale that members in this House do not tell other members that they have lied and I ask her to withdraw the statement.

Ms MacTIERNAN: I did not say it like that but I will withdraw it, notwithstanding the impeccable logic.

The DEPUTY SPEAKER: I ask the member for Armadale not to canvass the ruling.

Questions without Notice Resumed

Mrs EDWARDES: To conclude the answer, I will provide to the House a formal written response as soon as I receive it with an explanation of the matter raised by the member. However, I reassure the House that all of the complaints and concerns are properly investigated. That does not mean that we go down on the ground and personally do it. We do take into account the investigation.

ROYAL PERTH HOSPITAL, EXPENDITURE

210. Ms McHALE to the Minister for Health:

Why did the minister tell the House on 17 August 1999 that expenditure at Royal Perth Hospital was $317m when the information he has tabled today indicates that the expenditure was $258m - about $50m less than the figure he gave last week? The disparity is the same for the other major teaching hospitals.

Mr DAY replied:

The information that was provided in response to the question in August was on the basis of information which was given to me by the Metropolitan Health Service Board. Those figures were determined on an accrual basis, and I added that qualification. Accrual basis-determined figures include allowances for superannuation, leave liabilities and depreciation. That explains the difference between the figures which were provided in August and the figures which have been provided today, which are determined on a cash basis.

UNEMPLOYMENT, REGIONAL AREAS

211. Mr BARRON-SULLIVAN to the Minister for Employment and Training:

What statistics are prepared regularly on unemployment rates in regional areas? What do these figures demonstrate about recent trends in the labour force in the Leschenault-Bunbury area?

Mr KIERATH replied:

I thank the member for some notice of this question. I am pleased to advise the House that the Departments of Employment, Education & Training, the Office of Youth Affairs and the federal Department of Workplace Relations and Small Business produce unemployment rates for small area labour markets, including local government areas, on a quarterly basis. The labour force trends up to March 1999 for the Leschenault-Bunbury area indicate that the quarterly unemployment rate for the City of Bunbury was 5.5 per cent, the rate for the Shire of Dardanup was 4.7 per cent, the rate for the Shire of Capel was 4.4 per cent, and the rate for the Shire of Harvey was 5.5 per cent. They are stunning figures. Bearing in mind that these are small area labour markets, not the statewide trends, so they do not take into account the metropolitan area, the statewide average was 7.7 per cent. Thanks to the quality of their representation in this House, those areas are doing outstandingly well. I remind members about the real facts, because when we compare the middle of 1992, the Opposition's last full year in office, with the March quarter of this year, it puts into perspective the effect that the coalition Government has had on the futures of working men and women in this State. Under the Opposition, Bunbury had an unemployment rate of 11 per cent, but under this Government it is 5.5 per cent; Capel had a rate of 7.9 per cent, but under us it is 4.4 per cent; Dardanup had a rate of 6.8 per cent, but under us it is 4.7 per cent; and Harvey had a rate of 9.3 per cent, but under us it is 5.5 per cent. The overall unemployment rate went from 10.7 per cent under the Labor Party to 7.7 per cent, bearing in mind that these are small labour areas. The rate has dropped by 3 per cent, but in those areas it has dropped by more than that figure on a statewide trend. The Government congratulates the employers, the work force, the trainers and all those who have been involved in improving the figures in those areas. It is no accident that the huge turnaround has coincided with the election of a coalition Government. For members opposite, what better way to support the working men and women of this State than by providing them with real jobs that pay real money.

KING EDWARD MEMORIAL HOSPITAL FOR WOMEN, SERVICES

212. Ms McHALE to the Minister for Health:

Is the Government considering any proposals to shift services currently provided at King Edward Memorial Hospital for Women to Sir Charles Gairdner Hospital or any other hospitals; and, if so, which services will be shifted and to where?

Mr DAY replied:

Over the past few months, a range of theoretical possibilities have been considered within the Metropolitan Health Service Board. However, there are certainly no plans or proposals before the Government to either relocate services from King Edward Memorial Hospital for Women or to close the hospital, as I said yesterday.

KING EDWARD MEMORIAL HOSPITAL FOR WOMEN, FUTURE

213. Ms McHALE to the Minister for Health:

As a supplementary question, can the minister indicate what has been considered by the Metropolitan Health Service Board for King Edward Memorial Hospital for Women?

Mr DAY replied:

What I can say about King Edward Memorial Hospital for Women, and relating to a question which was asked by the member for Thornlie a couple of weeks ago about the Hensman Road clinic, is that work will proceed to relocate the Hensman Road clinic to within the main building at King Edward Memorial Hospital. It is not the case that the work will not proceed. The original site for the proposed relocation turned out to be unsuitable and unfeasible for structural reasons, so new plans had to be drawn up. I am pleased to say that the new clinic will go ahead on the ground floor of the main King Edward Memorial Hospital building. That will be a good outcome for all of the outpatients who are receiving consultations and treatment in the outpatient clinic at King Edward Memorial Hospital. The work to complete that project will go to tender in October following the finalisation of plans and final approval by the Metropolitan Health Service Board and also after consultation with the hospital's community advisory group. I am advised that the work is expected to commence in November this year with an expected completion date in April next year.

GLOBAL OLIVINE, DOMESTIC REFUSE TREATMENT

214. Mr MASTERS to the Minister for Water Resources:

I refer to a proposal by Global Olivine, a company which wishes to build and operate a $500m plant to treat all of Perth's domestic refuse, whereby the plant would eliminate the need for landfill disposal of this and some noxious industrial waste, with outputs to include 120 megawatts of electricity and 110 000 tonnes of distilled water a day. Has the Water Corporation had discussions with Global Olivine; and, if so, are there any impediments or difficulties to the corporation's purchase of the 110 000 tonnes of water produced each day?

Dr HAMES replied:

I thank the member for some notice of this question. It is an interesting one. The Water Corporation met this company on my recommendation after I had met it because it is an interesting proposal. There are benefits in a few areas for the Water Corporation. Firstly, as the member said, it produces 110 000 tonnes of distilled water a day. The Water Corporation could look at contracting to purchase, providing the water is of the correct quality. There are also opportunities as part of that waste-to-energy process under the deregulation that has been announced by the minister in charge of Western Power to directly purchase the energy produced from that facility and use it, through our operations, throughout Western Australia. We also have the opportunity to dispose of some of our sewerage sludge. That, too, could be treated in the facility. I have had some experience with this in the past, having chaired the Select Committee on Recycling and Waste Management as a backbencher. The key to all this is the quality of the facility that is being provided. We are talking not about the incineration of the waste, but about the internal combustion of it. We looked at the process of incineration of some waste in places such as Italy. A lot of those businesses were closing down because their standards of emission were not of sufficient quality. This plant would have to be among the best in the world in producing virtually no emissions and producing a final substance that is like an inert slag from a volcano. It is very safe and efficient. It is an exciting project, and it has potential. However, it must look at the local governments that manage the disposal of waste. A proposal is already in place for councils south of the river to have a large combustion facility. However, there is great potential for suburbs north of the river to combine and provide that waste to a facility that could operate in conjunction with a facility that produces water.