



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FOURTH PARLIAMENT
FOURTH SESSION
1996

LEGISLATIVE ASSEMBLY

Wednesday, 16 October 1996

Legislative Assembly

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THE SPEAKER (Mr Clarko) took the Chair at 11.00 am, and read prayers.

PETITION - SCHOOL STARTING AGE

MR KOBELKE (Nollamara) [11.06 am]: The petition I present reads -

To the Honourable the Speaker and Members of the Legislative Assembly in the Parliament of Western Australia assembled.

We, the undersigned, object strongly to the Minister for Education's proposal to change the school starting age so that our children may not start their formal school education until they turn the age of seven.

We object to delaying the start of formal education which we believe will impact upon the quality of our children's education.

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

The petition bears 164 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

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

[See petition No 162.]

PETITION - STRATA TITLES ACT, CHANGES

MR KOBELKE (Nollamara) [11.07 am]: I present the following petition -

To the Honourable the Speaker and Members of the Legislative Assembly in the Parliament of Western Australia assembled.

We, the undersigned urge the Government to recognise the considerable concern and confusion caused by changes to the Strata Titles Act particularly to duplex owners and we call on the Government to fully explain how people must comply with the statutory obligations particularly in relation to workers compensation insurance and if the Government is unable to do this, we further call on the Government to repeal or simplify those sections of the Act.

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

The petition bears 46 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

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

[See petition No 163.]

PETITION - WESTRAIL, PENSIONERS FREE TRIP RESTRICTIONS

MR KOBELKE (Nollamara) [11.09 am]: I present a petition couched in the following terms -

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

We, the undersigned people of Western Australia object to the Court Government's decision to restrict pensioners from taking one free Westrail trip over Christmas and New Year when family reunions are so important. We also object to the restrictions on free travel at Easter and during school holidays. We call on the Government to immediately cancel the restrictions on this one free travel pass per year and to restore choice to pensioners to travel at a time that suits them and their families.

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

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

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

[See petition No 164.]

MINISTERIAL STATEMENT - MINISTER FOR COMMERCE AND TRADE*Industry Assistance Packages by Department of Commerce and Trade, Tabling*

MR COWAN (Merredin - Minister for Commerce and Trade) [11.10 am]: In April last year I undertook to table information about all industry assistance packages made by the Department of Commerce and Trade. Details of all packages over \$250 000 would be tabled as soon as agreement was reached with the company concerned. Several such statements have been made already and details of those packages have been tabled.

I also undertook to table annually the details of all packages under \$250 000. I am pleased to table the first such list today for the financial year 1995-96. Parliament has not been provided with this information before, so I would appreciate comment from members on whether the format of the information I am tabling today can be improved.

As this is the first list to be tabled, it is appropriate to explain what the list does, and does not, include. It is intended to be a list of direct payments to specific businesses or companies. Some types of payments by the department have been excluded because they are not industry payments. The list does not include cooperative research centres or centres of excellence payments; main street grants; regional initiative fund grants to local governments, although grants to individual businesses from this fund are included; food centre support; miscellaneous prizes and awards; and packages that have already been tabled in Parliament, being in excess of \$250 000.

Three payments of over \$250 000 are included in the list. These are payments to BankWest, China Southern Airlines and LandCorp as part of an ongoing assistance commitment made before I established the practice of notifying Parliament of packages in excess of \$250 000. Packages approved in 1995-96, but not paid before 30 June 1996, will appear in the list of payments for 1996-97.

Because of the number of payments in this list, I have not included the level of detail on these payments as I have with the payments over \$250 000 that have already been tabled in the House. If members want more information, either on those payments listed or other assistance packages, including non-industry payments, it will be provided either directly to the member or by way of an answer to a parliamentary question on notice, so that the information is published in *Hansard*.

[See paper No 614.]

MINISTERIAL STATEMENT - MINISTER FOR LOCAL GOVERNMENT*Building Regulatory Reform; Building Code of Australia (BCA 1996)*

MR OMODEI (Warren - Minister for Local Government) [11.13 am]: I wish to advise the House of the considerable progress by the State Government in conjunction with the Federal Government, in implementing building regulatory reform. As Minister for Local Government with responsibility for building control, I have given Western Australia's commitment to be part of this ongoing reform process.

Last Friday at a meeting of state Ministers with responsibility for building control, the new Building Code of Australia was launched. This will be known as BCA 1996. The code represents a major change of focus in building control from the former prescriptive approach to one of performance based outcomes.

The advantages of BCA 1996 will include greater cost effectiveness; a move away from specifying how a building is to be constructed, to an outcome focused system; opportunities to use alternative materials, forms of construction or designs for a building; and opportunities to adopt new technology without the necessity to amend the code or approve such products or processes on appeal. In Western Australia the benefits of BCA 1996 will follow its adoption and implementation. All States are committed to adopting the code by 1 July 1997, and Western Australia has signalled its intention to call up BCA 1996 on that date.

With the completion of the Local Government Act 1995 and its commencement on 1 July this year, my focus as Minister for Local Government has now moved to further building reform. One of the Government's priorities for 1997 will be the development of a stand alone integrated building Act that will address a wide range of issues including building licence approvals, legal liability questions and appeals. This legislation will further emphasise the coalition Government's commitment to ensuring competitive, effective and efficient regulatory processes are developed in Western Australia.

STATEMENT - MEMBER FOR COCKBURN*Infrastructure Assistance Package for Joe White Maltings Limited*

MR THOMAS (Cockburn) [11.15 am]: I wish to respond to the statement made by the Deputy Premier yesterday that referred to a \$2.9m package of infrastructure assistance for Joe White Maltings Limited. This company is to

establish a malting plant at Forrestfield. The package that was announced yesterday is in quite sharp contrast to a number of others that have been announced previously, in that the assistance is not being provided directly to the company, but by way of the provision of infrastructure that will facilitate the construction of a new plant at Forrestfield.

That is good because the money is not being provided directly to the company. This package will facilitate the development of new industry. In this case \$2.9m is being expended and, according to the statement, it will facilitate the employment in this State of 13 people. Earlier this year in the Albany Woollen Mills deal \$5m was allocated for 30 jobs, as I recall. At that stage the going rate per job was about \$166 000. This time the rate has risen to \$223 000. Nonetheless, we hope it will work out to be a good deal, notwithstanding that the rate per job seems to have gone up by \$56 000. As the Deputy Premier indicated in the statement, the company is to invest \$34m of its own money in the project.

Mr Cowan: That is for starting one.

Mr THOMAS: Yes. It is obliged to investigate the feasibility of expanding the plant. If it turns out to be feasible, the company is obliged to undertake it. The details of the assistance package are that \$680 000 will be provided towards the cost of a substation and power connection by Western Power; the Water Authority will receive \$96 000 by way of an interest subsidy and \$109 000 for headworks charges, with \$1m for the sewerage connections and a further \$1m for sewerage headworks. Not much fault can be found in this proposal, other than that the policy context in which it operates is rather ad hoc.

In its program statements to the Estimates Committee earlier this year the Department of Commerce and Trade stated that one of its functions is to develop an industry policy for the State. We still do not have an industry policy for the State, as such.

Mr Cowan: Yes we do.

Mr THOMAS: The priorities outlined in the key outputs and activities planned for 1996-97 in the program statements cover the areas in which investment will be promoted and, hopefully, generated. That amounts to the industry policy of this State. The Opposition believes the State needs a more comprehensive industry policy. It is not the function of government to pick winners, as the saying goes, but it should -

Mr Cowan: That is all you ever did. Your entire industry policy was an industry incentive program -

Mr THOMAS: The Government has a pretty good record of picking winners!

Mr Cowan: We have done it differently. We have reduced to almost half the amount of money that is spent on that program.

Mr THOMAS: We have only to look at the Albany Woollen Mills' deal to see the extent to which this Government is prone to picking winners, particularly if they are located in or near National Party electorates, and to closing them down if they are located in Labor Party electorates, notwithstanding that the coalition promised before the election that it would not do that.

Mr Cowan: Give me some examples.

Mr THOMAS: Robb Jetty. The coalition said before the election that if it did not retain Robb Jetty, it would ensure that there was a new publicly owned abattoir.

Mr Cowan: If that was necessary. It was not necessary, and you know it.

Mr THOMAS: The Meat Industry Employees Union was addressed by the Deputy Premier prior to the election and was told that a publicly owned abattoir would be retained -

Mr Cowan: No it was not.

Mr THOMAS: That is its belief. In any event, the function of government is not to pick winners but to pick, I suggest, races. We have here a list, which amounts to the closest we get in this State to an industry policy, of some half a dozen dot points. I guess within one or two of them we could find a mandate -

Mr Cowan: Do you want me to give you the full policy?

Mr THOMAS: We have been waiting for an industry policy for some time. I want to talk specifically about this project. The company, Joe White Maltings Limited, will relocate from a site in Northbridge that is no longer suitable and build an expanded plant with export capabilities at Forrestfield. However, the Deputy Premier's statement did not indicate the nature of that company's tenure over that land. That land which that company will acquire is currently

a Westrail marshalling yard complex. This matter is very important, because public moneys will be used to provide infrastructure on that site, and that will, of course, increase the value of that site; in fact, in many ways it will create its value. We are not told under what circumstances that land will be acquired.

After I heard the Deputy Premier's statement yesterday, I did a bit of research on it and spoke to some of the officers concerned. It turns out that the land was valued by both Westrail and the company, that negotiations took place between Westrail and Joe White Maltings, and that there was some involvement by the Valuer General; so one can assume that there was a correct assessment of the value of that land. I would like the Deputy Premier to confirm to us at some appropriate time - or perhaps the Minister representing the Minister for Transport, if he is the relevant person - that a proper study has been done of the financial feasibility of this estate.

We were told in the Deputy Premier's statement that a new industrial park will be created adjacent to the new Co-operative Bulk Handling Metro Grain Centre, which will encourage projects and operations which involve the further processing of agricultural produce; in this case, grain. That is a laudable objective and one that we are very pleased to support. However, we need to know how prudent is the investment of \$2.9m on infrastructure. The infrastructure will enhance the value of that land, because the land will have only minor utilities if the sewerage, water and power are not connected to it. The valuation of that land, against which the price that Joe White Maltings has agreed to pay assumed that the land was valued as if it were an industrial site located in Forrestfield and serviced with water, sewerage and power. I understand the valuation contract did not include the fact that the site had a conveyor line from CBH capable of supplying grain straight into the plant. I am concerned about that, because that would affect the value of the property.

I am concerned also that other people who are or could be involved in the malting industry should have equal access to that land. Theoretically, the specifications of the lot should be drawn up and it should be put to auction or tender so that a true value is obtained. However, I am advised by Westrail that other lots are available on that site and that if some other firm wanted to set up a malting business there, the land would be available; so this is not a particular sweetheart deal with one company that would advantage it over potential competitors in that industry. I am pleased about that. However, the fact remains that unless there has been a study of the overall financial feasibility of the project - that is, that the money that will be spent to create or provide the infrastructure will ultimately be realised from the sale of lots on that land - then this \$2.9m package will be a subsidy to that industry and we need to know that that is the basis upon which it is being done.

I suppose it is because of the division of portfolios between the Minister for Transport, who is responsible for Westrail, and the Minister for Commerce and Trade, who is responsible for his department, that the complete picture of the project and the worth or otherwise of this expenditure of public moneys cannot as yet be ascertained from the Deputy Premier's statement. I am pleased to have received some information from Westrail about that matter, and we will follow that up further, because we need to know whether it is a subsidy or a prudent long-term investment by the State.

One matter of considerable interest to a number of people can be found at page 4 of the attachments to the Deputy Premier's statement - a document which I presume was prepared by his department - which enumerates the benefits that will flow to the State from this project. The last dot point on page 4 states -

Continued collection of payroll tax of \$100,000 over 5 years . . . This would also be lost if the Northbridge facility were to close. (Calculation based on existing rates of payroll tax increasing at 2% p.a.).

I presume that refers not to the rate increasing but rather to the tax base, and that it is some sort of calculation of the value of the payroll of this company. Will the Deputy Premier confirm that it is government policy that there will not be a reduction in payroll tax over the next five years?

Mr Cowan: I cannot confirm that. I would like to say yes to that.

Mr THOMAS: The Deputy Premier would like to say there will be no reduction?

Mr Cowan: No. I would like to say yes, there will be a reduction.

Mr THOMAS: If the Deputy Premier would like to say that, then the projected benefits to the State will not flow.

Mr Cowan: I would be delighted to be proved wrong in that case, I can assure you.

Mr THOMAS: If the Deputy Premier were wrong, one of the bases upon which the statement is predicated would fall away.

Mr Cowan: We will get the information for you about the proposed area that will be set aside for industry so that you can get a true grasp of the value of that asset to the State. With respect to payroll tax, I will not speculate about

whether it will go up or whether the rate in the dollar will drop, but I will be delighted if we can provide companies with greater alleviation from payroll tax.

Mr THOMAS: We would like to, as well. It appears that the Government is acting on the basis that it will not happen.

It is the correct role of the Government to provide infrastructure to facilitate investment in new industries. We are pleased to see investment in industries, particularly those that involve further processing of the State's primary produce. Nonetheless we are critical that this has taken place on an ad hoc basis; that there has been no comprehensive industry statement. All we see in the Program Statements, and similar documents such as annual reports of the Department of Commerce and Trade, which we have not seen this year, are a number of dot points listing a number of industries. These change from year to year and appear to be mere wish-lists rather than serious industry policies.

The most important matter that arises from the Deputy Premier's statement was not dealt with - the financial viability of the investment that will bring an ultimate return to the State. That return will flow from the sale of the lots on the estate. We presume that Westrail has carried out a financial viability study and we look forward to seeing that.

PUBLIC ACCOUNTS AND EXPENDITURE REVIEW COMMITTEE

Leave to Meet when House is Sitting, Wednesday, 16 October

On motion by Mr C.J. Barnett (Leader of the House), resolved -

That this House grants leave for the Public Accounts and Expenditure Review Committee to meet when the House is sitting on Wednesday, 16 October.

JOINT STANDING COMMITTEE ON THE COMMISSION ON GOVERNMENT

Leave to Meet when House is Sitting, Wednesday, 16 October

On motion by Mr C.J. Barnett (Leader of the House), resolved -

That this House grants leave for the Joint Standing Committee on the Commission on Government to meet when the House is sitting on Wednesday, 16 October.

BILLS (6) - INTRODUCTION AND FIRST READING

1. Bank of South Australia (Merger with Advance Bank) Bill.
2. State Trading Concerns Amendment Bill.
3. Settlement Agents Amendment Bill.

Bills introduced, on motions by Mr C.J. Barnett (Leader of the House), and read a first time.

4. Strata Titles Amendment Bill.

Bill introduced, on motion by Mr Kierath (Minister for Lands), and read a first time.

5. Local Government Amendment Bill (No 3).

Bill introduced, on motion by Mr Omodei (Minister for Local Government), and read a first time.

6. Dental Amendment Bill.

Bill introduced, on motion by Mr Prince (Minister for Health), and read a first time.

ACTS AMENDMENT (ICWA) BILL

Second Reading

Resumed from 19 September.

MRRIPPER (Belmont) [11.36 am]: This Bill contains amendments to the State Government Insurance Commission Act which, as the second reading speech states, can be divided into four categories. The first set of amendments enables the Government, but does not require it, to establish a managed fund concept for the risk management and insurance needs of public sector departments and agencies. The second category of amendments is a miscellaneous

category that contains a number of changes designed to enhance the operations of what is to become the Insurance Commission of Western Australia. The third category relates to the need to formalise in the legislation the dissolution of the State Government Insurance Corporation which, of course, has been privatised. The fourth category of amendments changes the name of the commission to the Insurance Commission of Western Australia.

I turn, first, to the changes that will facilitate new arrangements for the risk management and insurance needs of public sector organisations. I understand that insurance and risk management arrangements for public sector agencies in the past have been fragmented and ad hoc, and that a number of risks have not been covered by self-insurance arrangements or by provisions in agencies' accounts. It might be argued that some risks have not been acknowledged, let alone provided for. In addition, not all of the self-insurance has been covered by the SGIC. In fact, the Building Management Authority has managed some of the self-insurance arrangements for government buildings.

The committee established to review the Government's insurance management arrangements has provided an interesting report. I will refer to the synopsis. For example, the report identifies major shortcomings of the current insurance arrangements. I have mentioned some of the shortcomings. However, the report indicates that there is no public liability or professional indemnity cover for consolidated fund departments; no cover for computer risks - except for a limited number of defined, high risk installations; no medical malpractice cover for hospitals; some agencies have no property cover; public buildings are basically uninsured; and, despite policies requiring government agencies to make self-insurance arrangements with the government insurance fund and the State Government Insurance Commission, a number of government agencies, including Western Power and AlintaGas, have made arrangements outside the government insurance fund.

The report also points out that the current cost of reinsurance is too high due to agencies not being prepared to retain a level of risk that they will meet out of their own funds. The report contains an interesting table on reinsurance cover that compares Western Australia with South Australia. South Australia pools its risks. It is prepared to meet a risk of \$20m. That is, its self-insured retention is \$20m, whereas Western Australia proportionately reinsures from the government insurance fund all risks beyond \$1. The benefits of the South Australian system are evident when we compare what that State is able to achieve with what Western Australia is able to do.

The table indicates that the property cover for Western Australia is \$9.1b and for South Australia it is \$27b. The public and products liability cover for Western Australia is \$200m and \$10m for professional indemnity. The same cover for South Australia is \$350m, which includes professional indemnity for property damage and injury. The aviation liability cover for Western Australia is nil; for South Australia it is \$500m. The medical malpractice cover for Western Australia is nil; for South Australia it is \$150m. The bottom line of the table indicates that the cost of that cover for South Australia is \$6.8m. For Western Australia for the much less attractive cover the cost is \$6.9m. Western Australia is paying more than South Australia for much less favourable cover. Members must bear in mind that South Australia is able to achieve that result because it is prepared to self-insure for the first \$20m. However, it seems to be much better covered for catastrophic events than Western Australia is under present arrangements.

This Bill does not require the Government to introduce new arrangements that will provide for better cover, but it will make changes to the legislation that will facilitate new arrangements. My understanding of these new arrangements is that agencies will determine the level of risk they are prepared to meet - a risk retention level - and they will make a payment of that amount into a pool managed by the Insurance Commission of Western Australia. If their claims are greater than the amount they have paid in, the potential exists for the commission to call up to 150 per cent of the initial payment they have made. If their claims are less than the level they estimated, the potential exists for the distribution of the surplus funds.

The Insurance Commission will offer a claims management service for agencies that are involved with that fund. I understand that a second level will be a managed pool for big claims, but claims for events that are not likely to be frequent. The advantage of this arrangement will be that the risk of those serious catastrophic events will be assessed over the whole of government and spread over the whole of government, making estimations more predictable, and also providing for reinsurance arrangements on the basis of large purchases that will be more economic for the Government than present arrangements. I imagine that the sorts of arrangements South Australia has been able to enter into will be possible under these new arrangements that will apply in Western Australia, and it is hoped that this State will achieve the same sort of cost benefit circumstances that the South Australians have been able to achieve.

Although this Bill will facilitate those new arrangements, it will give the renamed commission a role in risk management, providing advice on risk management to both government centrally and agencies. This report points out that the Auditor General has drawn attention to what he considers are deficiencies in risk management in the Western Australian public sector. It is all very well to insure on either a commercial or self-insurance basis for various negative events; however, it is also important to manage an agency's operations to reduce the likelihood of

those events occurring. The Western Australian public sector has not had sufficient management in the past to minimise the risks faced by those agencies.

Not only has there not been sufficient management in that direction, but also there has not been sufficient acknowledgment of the risks agencies face. That has been encouraged to a certain extent by the insurance arrangements. Sometimes agencies have not entered into insurance arrangements with the commission for various types of risks and they have not made provision in their own accounts for their risks. If they have acknowledged the risks at all, they have been prepared to simply pass on those risks to the Government centrally. If a building burns down, an agency asks Treasury for more money to replace the building. The risk has not been acknowledged or, indeed, managed in certain circumstances. Giving the Insurance Commission these responsibilities to advise both government and agencies on risk management and establishing the new insurance arrangements under this legislation will lead to a better management of risk within the public sector. The Opposition supports that move, as it supports the rest of the amendments in this Bill.

The second category of amendments relates to what the second reading speech describes as expanded functions to enhance day to day operations. The Bill contains a number of housekeeping amendments and others that have more relation to this category. I have referred already to the risk management aspect of the changes. Provision is also made for the commission to provide advice and service to public authorities for the management of claims. The legislation contains a definition of public authority to clear up any confusion over which public authorities are covered by this legislation.

There is provision for self-insurance managed by the commission for workers' compensation matters to clearly satisfy the requirements of the Workers' Compensation and Rehabilitation Act. There is also provision for the commission to sponsor research and promotion in industrial disease and injury areas. That is a very good provision. Obviously, a social benefit can be derived from the commission's becoming involved in that area. There is also an aspect of risk management for the State in the commission's undertaking that sort of work because if, through sponsoring research and promoting awareness of risk, the commission can prevent claims in the future, it will be to the benefit of the State's finances.

An interesting set of amendments is made to the commission's power. Clause 10 of the Bill seeks to amend section 6 of the principal Act, which specifies the functions of the commission. This clause will include in those functions a specific paragraph (g) providing that it may invest and manage moneys and other property under its control. We all know that insurance organisations need to undertake significant investment activities. In fact, private sector organisations involved in insurance make their profits by and large from investing the premium income they hold awaiting claims. Were they not to make investments, they would probably not make profits as a result of any surplus that might arise from the difference between premium income and claim expenses. This Bill makes it an explicit function of the Insurance Commission of Western Australia to make investments.

That is not the only area in which changes are made. Changes will be made to section 7 of the principal Act which describes the commission's powers. A number of those changes expand the commission's powers to make investments. For example, section 7(2)(e) of the principal Act gives the commission the power to improve, develop or alter property. Proposed new paragraph (e) will allow the commission to acquire, hold, lease, sublease, license, exploit, encumber, deal in, dispose of, divide, subdivide, improve, develop or alter property or do anything else that a natural person could do in respect of property. A broader power is included in the legislation with regard to the commission investing in property.

Similarly, section 7(2)(g) of the principal Act allows the commission "to subscribe for, invest in or otherwise acquire, and to dispose of, shares in, or debentures or other securities of, a business undertaking". This paragraph will be replaced by a new paragraph allowing the commission to subscribe for, invest in or otherwise acquire any investment and to deal in or dispose of any investment. The two amendments broaden the powers of the commission to invest, and further amendments to section 7 of the Act again emphasise and make absolutely explicit a broadening of the commission's power to invest. Proposed new section 7(5) will clarify the commission's powers of investment by including the power to invest in real or personal property of any kind; and the power to be a party to any financial instrument or arrangement that relates to any investment and is, in the opinion of the board of commissioners, for the purpose of managing, limiting or reducing perceived risks or anticipated costs associated with the investment.

The provisions in this Bill will not only expand the commission's power to invest, but also validate the use of the commission's powers in the past. It is retrospective legislation in that clause 11(9) of the Bill will make these new powers applicable to all investment decisions of the commission in the past. There is a certain irony in that situation. Much criticism has been heard over many years of various investment decisions made by the SGIC. Foremost among those criticising those decisions are the people who now sit in government. However, the Government has brought to this House a Bill that will expand the investment powers of the Insurance Commission of Western Australia, formerly the SGIC, and will retrospectively expand those powers. I draw the conclusion that many of the criticisms

made of the SGIC investments were made because people saw the SGIC as operating outside its functions. It was seen to be operating as an investment arm of government, rather than as an insurance organisation going about its normal course of business. That seemed to be at the heart of some of the criticisms about WA Inc, namely, that organisations did not stick to their charter and did not fulfil their functions. Instead, they acted as general investment arms of government.

Mr Minson: That is not quite true. The criticism was about the political masters who were directing some of those staff. They managed to get out of it in the royal commission, but those are the facts.

Mr RIPPER: One of the principal criticisms of the process was that agencies were not operating according to their charter but were operating as general investment arms of government. This legislation is ironic because it gives the Insurance Commission of Western Australia broader investment powers and a specific function in its own right to invest, regardless of connection with insurance activities. It seems as though the legislation is not in accordance with some of the criticisms which emerged from commentators and the then Opposition about the activities of the SGIC and some other organisations.

The third category of amendments relates to the dissolution of the State Government Insurance Corporation, and there can be no quarrel with these amendments. They adjust the legislation to accord with the new reality that the State Government Insurance Corporation has been privatised and now operates in the private sector. These parts of the legislation are already a dead letter and, for the purpose of clarity for all those who examine the operation of the Act, these changes should proceed.

I noted in the Treasurer's second reading speech that some assets and liabilities of the State Government Insurance Corporation were not transferred to the private sector on privatisation, but remained with the shell of the corporation and, under this legislation, will be transferred to the Insurance Commission of Western Australia. I am curious about that. I would like the Treasurer in his response to explain why certain assets and liabilities of the corporation were not privatised with the rest of the organisation and to what extent we retain responsibility, in particular for liabilities, of the SGIC under the umbrella of the new Insurance Commission of Western Australia. I would like to know what those assets and liabilities involve and what is their extent.

The fourth category of amendments relates to the name change of the commission from the State Government Insurance Commission to the Insurance Commission of Western Australia. That seems to be a sensible change. It was always a flaw in the previous legislation that there were two SGICs - the State Government Insurance Commission and the State Government Insurance Corporation, which traded as the SGIO. That unfortunate similarity of names provided fertile ground for confusion. That confusion was evident when we debated the solvency of the SGIC trading as the SGIO and the solvency requirements of the Commonwealth Insurance Commission. It was very difficult to disentangle the solvency requirements that the SGIO needed to meet and the overall financial position of the State Government Insurance Commission. Given all the debate that has occurred and that the SGIO is now a private sector organisation retaining that name, it seems sensible to mark the break with the past and remove any confusion by moving to this new name, the Insurance Commission of Western Australia.

I note that the first category of amendments will facilitate the new insurance arrangements for public sector organisations, but not require them, and that they will be a matter of government policy and directions which the Government is prepared to give to public sector organisations. Although this Bill may facilitate these new arrangements, government policy could at any time in the future change and agencies may be directed to provide for their risk management and insurance requirements in a different way.

I am happy to support the direction of the Government's changes as outlined in this report from which I have been quoting which has the brief title "RiskCover". However, they are not enshrined in legislation and may be subject to change. While the Opposition remains in opposition it will scrutinise the direction of these changes to insurance arrangements with interest and with even more interest following the next election when we hope we will be responsible for them. In the meantime the Opposition is pleased to support this legislation.

MR COURT (Nedlands - Treasurer) [12.05 pm]: I thank the member for his support of the legislation. In response to the question he raised about the assets and liabilities of the corporation, as he knows, his Government established a good insurance company and a bad insurance company. The good assets were put into the SGIO and the balance of assets were put into the SGIC. That included a category called "inwards insurance". It is very risky insurance business in the form of reinsurance by which a lot of money can be either lost or gained. With the winding up of the corporation those assets and liabilities will be moved into the SGIC. That was always the aim. It was done by the Labor Government, and this Government accepted that the SGIO had to be turned into a saleable form. Therefore the risk associated with that other business will be absorbed.

Mr Ripper: To what extent of business are we talking about?

Mr COURT: It is not a great deal. I will provide that information for the member very shortly. I thank members opposite for their support.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate and passed..

STAMP AMENDMENT BILL

Second Reading

Resumed from 19 September.

MR RIPPER (Belmont) [12.07 pm]: The Opposition supports this legislation, which it understands is designed to protect the stamp duty revenue of the State, in the light of relatively new methods of company acquisition. My understanding is that stamp duty can be levied on shares transferred in the course of company acquisitions. However, a method is being used more frequently for companies to be acquired without the transfer of shares attracting stamp duty. Following more liberal policy interpretations by the Australian Securities Commission, I understand that it is now possible for companies to be acquired by share cancellations in return for considerations because those considerations are not technically payments for shares. No duty is therefore payable on them or on the share cancellations.

This Bill seeks to make those sorts of manoeuvres subject to taxation in the same way as company acquisitions involving the transfer of shares would be under the existing legislation. I have been told of an example in which the entity that acquired a company began with 9 per cent of the shares, but entered into a scheme of arrangement with the other shareholders. They were induced by the commercial aspects of the scheme of arrangement to cancel their shares and the proponent ended up with 100 per cent of the shares and, but for this legislation, would not have paid any stamp duty. That manoeuvre has the capacity to cost the State around \$2m. Therefore, we are not dealing with a minor matter in relation to the State's revenue. I am advised that there are sometimes commercial advantages for companies to embark on this sort of arrangement. I do not think the State Government is alleging that companies are embarking on this sort of arrangement simply to avoid stamp duty. Therefore, we are not considering a blatant scheme that has the object of defrauding the State; we are considering an arrangement that has certain commercial benefits but, as a by-product, a loss of revenue to the State. My understanding of the commercial benefits of this sort of arrangement is that shares can be compulsorily acquired from minority shareholders with a lower threshold of shareholder acceptance being met.

I understand that, in traditional takeover or acquisition manoeuvres, the bidder has to acquire 90 per cent of the shares on a voluntary basis before compulsory acquisition can be enforced on the remaining 10 per cent of minority shareholders. However, a scheme of arrangement that would have the same effect can be accepted by 75 per cent of shareholders. Therefore, there is an immediate advantage for a company proceeding to a scheme of arrangement involving the cancellation of shares when compared with making a bid and seeking to mop up the minority shareholders with compulsory acquisition. There is also less bureaucratic paperwork for companies proceeding with this form of arrangement. Therefore, it is quite likely that more companies will seek to acquire other companies via this sort of manoeuvre in the future because of these commercial benefits. We will be the losers if the State does not act.

It is interesting that this legislation is retrospective to November 1995. This retrospective application of the legislation is necessary to pick up a stamp duty payment from the events that alerted the State Government to the potential loss of revenue from these new developments. Conservative politicians often rail against retrospective legislation. This morning we dealt with two pieces of legislation and in both there were clauses that involved significant retrospective effect. While conservative politicians might tell us in principle that they do not support retrospective legislation, on two occasions this morning the Government introduced legislation with clauses that have retrospective effect.

It is a concern that there may have been other manoeuvres like this that will escape the net. While the legislation has been made retrospective to cover the company takeover that alerted the State Government to the potential loss of revenue, there may have been other similar acquisitions that involved share cancellations that have not been brought to the notice of the State Revenue Department and have involved a loss of revenue to the State. We need to have a strong compliance section in state revenue because the potential always exists for smart minds and clever lawyers and accountants to devise new forms of transactions that do not incur an obligation to pay stamp and other duties to the State. We should be as clever and as energetic as are those people in order to preserve the revenue base of the State.

We are not helped by a number of Bills sponsored by the Minister for Finance in the Parliament that have the effect of extending unjustified concessions to people who engage in esoteric corporate and personal financial arrangements. Various Bills have been brought to this House involving land tax and stamp duty, which in our view have enabled people to have benefits both ways from these types of arrangements. It might be only \$1m here and \$1m there. However, in the end it all adds up and the State still needs to raise revenue, which must then be raised from higher tax payments by other people who do not enter into esoteric financial arrangements. Of course, the other way in which the Government can deal with the loss of revenue is to restrict the services it offers Western Australians.

This Bill is really contrary to the direction of a number of pieces of legislation that have come to the House, sponsored by the Minister for Finance in the other place, since this Government has been in power. A variety of concessions have been made which, in our view, cannot be justified. On this occasion he is acting to protect the revenue. We support this legislation because it closes a loophole.

We support it also because it does not increase the tax payable by a section of the community; it maintains the effective tax rates that have applied in the past in the face of the likely spread of a relatively new form of manoeuvre to enable companies to acquire others. The Opposition supports the legislation.

MR CATANIA (Balcatta) [12.19 pm]: I reiterate my colleague's support of the Bill. I support particularly one section of the Minister's second reading speech in which he said -

... because the Stamp Act currently imposes duty only on the transfer of shares, the acquisition of the company in this manner would not be subject to stamp duty.

Those are very important words because the simple purchase of a house or small business involves an enormous stamp duty cost. Only yesterday I was approached in the House by people seeking my advice on how they could appeal against an assessment of stamp duty resulting from the purchase of a house. The purchase price was in the region of \$500 000 and attracted stamp duty of some \$23 000. The purchasers thought it quite an impost to have to pay the stamp duty simply for purchasing a house.

The ability to avoid stamp duty on the acquisition of a company is inequitable. As my colleague has stated, the Opposition supports the intent and thrust of the Bill. It brings into line the charging of stamp duty on a number of transactions which should attract stamp duty. We must look at stamp duty generally and perhaps change the thrust of stamp duty where it applies to residences. The amount charged on the transfer of residential property should be looked at, not solely that for companies. The object should be to reduce the stamp duty burden at the lower end of the housing market. Like my colleague, I support the Bill because it provides a certain amount of equity with stamp duty.

MR COURT (Nedlands - Treasurer) [12.22 pm]: I thank the members opposite for their support of this legislation. The measure is designed to protect revenue. The member for Balcatta suggested reassessing the application of stamp duty. In the past four years we have tried to address some of the anomalies that we believe are in the system. Members opposite have supported some of that legislation and not supported others.

To the credit of the Minister for Finance, he has been prepared to address some of the areas, such as those involving the transfer of farms. However, it is complex because people are pretty smart at trying to find avoidance mechanisms for the legislation we put in place. Every time we have tried to get rid of an anomaly we have had to spend a lot of time drafting legislation so that we did not open up avenues of avoidance. We would certainly like to reduce our dependency on revenue from many of the forms of stamp duty. However, in order to do that we would need a different tax base. If we want to debate what should be the tax system, to be realistic we would have to throw into the argument the State's dependency on a number of the stamp duties. When it comes to corporate restructuring and the like, many difficult issues must be addressed.

Mr Catania: I have no argument with what you are saying. I brought up the case of a purchase of a home because, as you have said, the tax revenue of the State Government must be reassessed. People have said to me that when they purchased a house they did not put by the money required for stamp duty. Stamp duty is bad for the real estate industry and for those people who are trying to purchase their first home.

Mr COURT: I agree. Incentives are in place under various arrangements. I was discussing the position of small businesses which are conducting their own restructuring. If, in tidying up a corporate structure, they are transferring property but the ownership remains the same, they must pay stamp duty on such transactions. Those transactions cost money. I appreciate the support of members opposite for this legislation.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Ms Warnock) in the Chair; Mr Court (Treasurer) in charge of the Bill.

Clause 1 put and passed.**Clause 2: Commencement -**

Mr RIPPER: This clause applies the proposed Act from 20 November 1995 and therefore is retrospective, which is not uncommon in taxation legislation. Certainly in the federal jurisdiction the Commonwealth Government quite often has issued a press announcement to the effect that certain changes will apply from a particular date and then later on the legislation has been introduced which applied those changes. Did the Government make a press announcement on 19 or 20 November that this legislation would come into effect? I understand that the Treasury is aware of a transaction which sparked the need for this legislation. Has there been any communication with the participants in that transaction? If so, when did they know that this legislation was to come into effect?

Mr COURT: To answer the second part of the question first, negotiations were conducted between the Treasury and Westpac officials. One may assume they were not happy. The proposed Act comes into operation on 20 November 1995, which is consistent with the date the Government announced its intention to legislate these changes in the media statement issued by the Minister for Finance. I have here a copy of the statement if members would like to see it.

Mr Ripper: Was it issued on that date?

Mr COURT: Yes, on 20 November.

Clause put and passed.**Clauses 3 to 7 put and passed.****Clause 8: Part IVAC inserted -**

Mr RIPPER: I do not want so much to deal with the detail of this clause as to ask about the Government's estimate of the number and the sorts of transactions that this legislation is likely to catch. I understand that one major transaction which came to the attention of the Government necessitated this legislation. Is the Government of the view that there may be a significant number of previously undetected transactions which have not attracted duty? We are aware of this transaction, but do we know whether other transactions occurred during the past two or three years? What will the Government do to ensure these transactions come to the notice of State Revenue in future? In the past obviously they have not routinely come to the notice of State Revenue; in the future they will need to if this legislation is to be effective.

Mr COURT: It is possible some transactions which used this mechanism have not been brought to the attention of State Revenue. This was a large transaction. A trend in the past couple of years has been to use this mechanism. We do not have the capability to detect transactions that may have gone through in the past couple of years. In future the compliance division of State Revenue will work closely with the Australian Securities Commission to ensure that all those transactions comply with the changes that came into operation on 20 November 1995.

Mr RIPPER: Was it an accident that this event came to the notice of the compliance division or was that a result of compliance programs working as they were designed to work? What is the extent of the effort by the compliance section of State Revenue to monitor the development of new types of transactions which might result in reductions of revenue to the State?

Mr COURT: This transaction came to the attention of State Revenue when a heads of agreement was submitted to the department to assess the duty that would be paid. At that time only nominal duty had to be paid. That is when that mechanism was brought to our attention.

Mr Ripper: How does the department monitor new types of transactions? How many people work on that, and with what rate of success?

Mr COURT: The compliance section employs 36 people. A special strategic unit within that section investigates the new mechanisms that are developed by the industry, so they keep on top of the issue. It is a large unit and it is keeping up with the changes.

Mr Ripper: Is the department hampered by the salary levels in the public sector compared with those which smart accountants or lawyers can pay?

Mr COURT: I am advised that they are high level officers. Certainly particular skills are required. As we move to upgrade the accounting skills in the different agencies we have had to recruit reasonably aggressively in the market

place to attract people with the proper qualifications. Previously we had a cash accounting system which did not require too many skills; that has changed with the implementation of accrual accounting. The department has the expertise available to keep track of the trends.

Mr RIPPER: I am not a commercial lawyer, so it is difficult for me to comment on the adequacy of the legislation for its purpose. Is the Premier confident that this legislation will do the job? Will we close the loophole firmly and forever, or is there further room for smart manoeuvres.

Mr COURT: I am sure there will always be room for the smart manoeuvres. However, this legislation was developed in consultation with the Crown Solicitor who has recently been in private practice specialising in those areas. We believe we have done the best we can. We receive good professional advice. However, it is an ever changing scene and that is why we have so many amendments to revenue legislation.

Clause put and passed.

Clause 9 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Mr Court (Treasurer), and transmitted to the Council.

RAILWAY DISCONTINUANCE BILL

Second Reading

Resumed from 28 August.

MRS ROBERTS (Glendalough) [12.38 pm]: The Opposition will, in large part, support this Bill. In essence this Bill will dispose of railway lands in the city of Bunbury comprising the railway reserve between Wollaston Station and the existing station near Stirling Street. This amendment Bill will relocate the terminus for the *Australind* which terminates short of the city centre. This proposal does not provide a timetable for the relocation of the train station to the city centre. Under this proposal the *Australind* will terminate in the new Harbour City development in Clifton Street. Interestingly enough the previous Labor Government moved the terminus for the *Australind* out of the city centre. The Opposition's support of this Bill would seem to be a reversal of that decision.

This Bill, while not significant to other places, is very significant to the Bunbury region. Whenever changes are made to railway or road reserves there is, for every action, a consequent reaction. The changes will impact on other parts of the town. I have checked on the degree of support from the City of Bunbury for this Bill. It is mainly because of the local authority's support for this Bill that the Opposition is prepared to support it. Unlike the Government, the Opposition believes local government is the level of government that is closest to the people. Over the last few years local government has made a lot of progress in consulting local people and taking on their concerns. It is far more receptive to the people's needs than is this Government.

I am advised the City of Bunbury supports the relocation of the railway station and, because of the advantages it can foresee, it wants some of the land between Stirling Street and Sandridge Road to be vested in it. One thing I found strange about this Bill is that there is no definitive direction of people either supporting or opposing it. I noted from the upper House debate that members expressed views both for and against the Bill.

As a person who does not live in Bunbury I find it strange there could be conjecture on whether a railway station should be located on the edge of the town or in the town centre. It makes sense that in almost every circumstance it would be far better to have a rail journey terminating in a central area rather than on the periphery of a town. It brought me to question the Labor Party's initiative in relocating the station some years ago. It appears there was a degree of support for that and there have been significant advantages from that relocation with respect to the use of the railway buildings.

It is much better from a tourist's point of view to terminate a journey in the town centre and not at the edge of a town from where they must make their way into the town centre. Members who are aware of the geographical layout of Bunbury will know that the proposed site for the railway station is on a peninsula. It is further removed from the residents of the region than is the existing station. I acknowledge that the location of a railway station in the town centre will undoubtedly be better for tourists, but it may not be as convenient for the local residents. The majority of people who travel in the *Australind* come from the Bunbury region. The percentage of tourists who use that train

is relatively small. The majority of residents in the Bunbury region would choose to drive their vehicles to the station; therefore, it matters very little to them where it is located. The parking facilities would obviously be far more accessible at a station located on the outskirts of the town than they would be in the town centre.

There are two arguments. Firstly, the convenience for the residents of the Bunbury region who, I am advised, find the existing location more beneficial to them and, secondly, a railway station in the town centre would be far more beneficial to the tourists. I am sure these issues were considered by the Government and I am confident that they were considered in detail by the City of Bunbury.

The relocation of the railway station is not the only consequence of this Bill. Other factors are involved. A significant amount of railway reserve land is involved and there is also the potential for favourable outcomes for the City of Bunbury depending on the way in which it uses the existing railway reserve when it is freed up.

I said earlier that when changes like those proposed in this Bill are made to the layout of a town there will be changes to the road system and land uses. When the railway land is freed up for other purposes there will be consequences. I am not sure whether the Government is in a position to make available the projected costs of these changes. I am also not sure of exactly what land will be vested in the City of Bunbury or whether a commitment has been made to that effect. I ask the Minister to provide information on the projected costs of relocating the railway station, the figures relating to the freeing up of the railway reserve and the value of the land that is to be either sold to the private sector or vested in the City of Bunbury.

I understand the City of Bunbury has detailed plans for the area. It has been suggested that a boulevard-type entrance be constructed into Bunbury which, on the face of it, seems to be a good idea. Currently that area contains a lot of unattractive land, which does nothing for the tourists or the people in the south west region when they visit Bunbury. Bunbury is like a capital city for the south west region because all the services people require are available there. The entrance into the town could be substantially improved as a result of the changes proposed in this Bill. This aspect featured quite strongly in the council's consideration of the matter; it perhaps featured more strongly than the relocation of the station. I acknowledge there are mixed views about that. The council can see opportunities for redevelopment and enhancing the entrance to the city and the general appearance of the city as a regional centre for the south west and a gateway for tourists visiting that region.

I am advised that the City of Bunbury and others have been considering the proposals outlined in the Bill for many years. It is not something they have considered lightly. The local authority has consulted local community groups and on the basis that the Opposition has some confidence in the City of Bunbury doing the right thing by the people of the region, it is prepared to support this Bill.

I sound one word of caution. This is not simply about the change in location of a railway station; it is also about changes in land use and so on. As a result, existing businesses need some level of protection. I have been heavily involved in the Midland area and have noted that when one changes road patterns and town planning in an area it can have some very unexpected negative outcomes for existing businesses. I sound that word of caution because, while this may open up new opportunities for the City of Bunbury, a considerable degree of care must be exercised in supporting those existing businesses.

Another concern raised with me relates to the fear that ultimately this plan may limit access to the ocean. I would like the Minister to clarify whether the Government sees this plan in any way limiting that access. I hope that it will not.

I am concerned that in the Minister for Transport's response during the second reading debate in another place he was again talking about one of his favourite topics - heavy haulage, road access and so on. As part of the change, the road reserve will be used for heavy haulage access to the port. The Minister said that the current level of heavy haulage from local industry to the port is 27 million tonnes, but he expects that that will increase to 60 million tonnes over the next 20 years. The region has expanding industrial estates and the raw materials produced need to be conveyed to the port. The City of Bunbury has raised concerns with me about the means of transporting those raw materials from the mine sites or wherever to the port.

The Government has not looked carefully enough at rail options. It will be to the detriment of the City of Bunbury and the south west if the focus is constantly on heavy haulage road transport. People driving to the south west and throughout the south west are concerned that they are competing on the roads with some very large heavy haulage vehicles. The Mayor of Bunbury and others have informed me that over a period of time they have developed alternative rail options that they feel are superior to the road haulage that is currently occurring. When one has literally hundreds of trucks traversing a road in the course of a day, that has an impact on other road users' ability to use that road. The wear and tear as a result of that heavy haulage traffic is also a significant infrastructure cost factor.

I make no apology for quite strongly supporting rail transport for heavy haulage as opposed to road transport. In many areas of our State that is not possible; the only way to transport very necessary materials to communities is by road. However, in some instances - particularly in the south west - there are affordable rail options. I am disappointed that the Government, after consultation with local government authorities and industries in the south west, has not attempted to make much better use of the rail options. Cost comparisons between road and rail show that the expenditure up front for rail is significant. However, if one is looking at an industry with a considerable lifespan, be it 20 years or more, those kinds of costs can be amortised. Not enough notice is taken of the wear and tear on our road infrastructure as a result of heavy haulage - not just on roads but also on bridges and other publicly funded facilities. While I acknowledge that fees and charges are imposed for the use of roads, one of the reasons they are preferred is that Governments are quite shortsighted in these matters. They wear the marginal cost of the effects on roads from year to year rather than make the long term investment in a rail network that can be amortised over time. When one has known quantities of raw materials going to a port one can easily make the calculations and work out the cost benefits of the rail option compared to the road option. Many people have suggested to me that over time the rail option will not only benefit the community from an aesthetic and lifestyle point of view but also that it will be cheaper. I highlight those concerns because I do not think that those factors have been properly considered.

This is a very brief Bill, comprising only seven clauses, but it will have significant ramifications for the City of Bunbury. I will be interested to see how the Minister responds in his second reading contribution. The consequences of this measure may not be felt immediately, but it involves some long term plans for the City of Bunbury - plans that have been in the pipeline for a long time. This Bill is only one part of that process. I do not know the timetable for establishing the new terminus for the *Australind* and I do not know whether the Minister will be able to advise us of any time line. However, this will mean big changes for the City of Bunbury and it will involve significant costs. If this is done correctly and if the right decisions are made in consultation with the City of Bunbury, this could not only greatly improve the access for tourists and others visiting the City of Bunbury but also be of significant advantage to the local community in providing a much enhanced entrance to their city.

Sitting suspended from 12.58 to 2.00 pm

[Questions without notice taken.]

MRS HALLAHAN (Armadale) [2.35 pm]: The member for Glendalough indicated that the Opposition will not oppose this Bill and she made some useful observations about it. The Bill appears to provide for the construction of a new railway station on the northern side of the city of Bunbury in the Clifton Street vicinity. Judging by what some government members have said, the exact location of that station to service the city of Bunbury is not yet clear.

I understand that the present terminating station called Wollaston will be decommissioned. Will the Minister handling the Bill indicate whether that will require another Railway Discontinuance Bill in the future? I gather that some of the railway reserve that takes the *Australind* into Wollaston passenger station will eventually become part of a road reserve. I believe the Minister has claimed that proposition has widespread approval. However, it appears that a number of the other decisions embodied in this Bill have evoked varying opinions.

The Opposition has noted that the Bunbury City Council strongly supports the Bill. No doubt it would like to see it expedited and for that reason the Opposition will not oppose or attempt to delay it.

However, there are some interesting aspects to the Bill and I would like the Minister handling it in this House to answer them. I understand he has staff available on whom he can call for information. Curious language refers to a new station in an unknown location, but in the vicinity of Clifton Street, to be built when justified. What does that mean? Other members from the south west have raised the same question. Does it mean that the new station will be built when tourism traffic or commuter traffic increases? I understand that the Wollaston station is in fairly close proximity to many residential areas. I would like an accurate indication of how convenient will be the new location. What other provision will be made for residents who, in the absence of any other station, may have to travel into the city of Bunbury when they do not now need to do that?

An Opposition member of the south west knows from his previous occupation as a taxi driver how people have been saved extra fares because of the location of Wollaston station, which is to be abandoned sometime in the future.

Members of the Labor Party take a great deal of credit for the improvements in the city of Bunbury and the south west. We give considerable credit in particular to Hon Julian Grill who was the member for the south west and under whose leadership many of the improvements were made.

Mr Bradshaw: He was the Minister for the South West.

Mrs HALLAHAN: I thank the member for Wellington; he was the Minister for the South West and the member for Eyre. He provided good energetic leadership which has led to advantageous developments in and around Bunbury and the greater south west region.

Mr Cowan: We are still paying for them. They borrowed \$16m.

Mrs HALLAHAN: I did not hear that interjection. I presume it came from a rather mean spirited Deputy Premier complaining about the cost of borrowing money to assist with the development of the south west and the city of Bunbury. I am sure the community will be interested to read of his attitude towards the region.

Mr Cowan: They already know; I have spoken to them.

Mrs HALLAHAN: The Bill raises a few questions. I would like the Minister to indicate what form the Westrail study will take. Does the study relate to the railway line being brought into the central business district again? By closing the old railway station as a terminating point for the *Australind* the Labor Government allowed the development of some very fine facilities for the people of Bunbury and surrounding districts. The decommissioned railway station is well used as a tourism focal point, which is an effective and good use for the building. Factors that must be discussed include convenience in the location of the new railway station and the use by the City of Bunbury of the land that has been freed up. The Opposition supports the City of Bunbury in its endeavours. I was interested to hear the view expressed by a Liberal member representing the south west that the plans by the City of Bunbury were over the top. If a partnership arrangement between the City of Bunbury and the State Government is contemplated, I hope that the plans will be reasonable, as the residents of Western Australia will be picking up the tab.

I have some concerns about the future of the *Australind*, which has been a wonderfully historic link to the south west and provided a wonderful service. Like many other Western Australians I remember as a teenager catching the train from Perth to Bunbury. It was an absolute highlight for me, because I did not have very many opportunities for travel.

Mr Pandal: Did they have trains in those days?

Mrs HALLAHAN: They did, and it was the *Australind*. Putting aside the member for South Perth's rude interjection, members can see how well the *Australind* has served the community. I am concerned about the Government's commitment to the *Australind*'s upgrading, which we all agree is needed, and retaining that service in government hands.

Mr Bradshaw: It is being upgraded now.

Mrs HALLAHAN: Will the member for Wellington interject again and assure us that the *Australind* will remain a community service and not be privatised after the next election?

Mr Bradshaw: As far as I know it will not be privatised. I have spoken to Westrail officers. They don't think that anyone can run it more efficiently than it is run at present.

Mrs HALLAHAN: Efficiency does not seem to be a factor that the Court Government takes into account when it considers privatisation. MetroBus reduced its budget and running costs enormously, yet it did not win any of the large contracts, so efficiency is not a factor with this Government.

Mr Cowan: Yes it is.

Mrs HALLAHAN: Everybody in Western Australia knows that the Government believes it is okay to run buses with drivers who do not know where they are going. The Government believes circuitous and unknown routes are somehow an efficiency. Nobody else agrees with the Deputy Premier. The Government has made serious errors in that regard. It concerns me that the Government may make a similar misjudgment about the future running of an upgraded *Australind*. A huge percentage of Western Australians would not want to see the *Australind* given to the private sector in its upgraded state to be run in the same ineffective manner as many of the metropolitan bus services.

Mr Cowan: You don't like the fact that the private sector has been able to offer those contracts at a better service and rate to the State.

Mrs HALLAHAN: Most of the time the Deputy Premier is a reasonably sensible person; sadly, that is not evident from his interjection. The private sector has demonstrated to Western Australians that it is unable to provide the same level of service that they received from MetroBus. The private sector has been given a golden handshake by the Court Government and the Deputy Premier to provide services that are confused and of a lower standard than that which was provided by MetroBus.

The Deputy Premier obviously is not aware that under his private sector scheme it takes people longer to get from where they usually join a bus service to the point of alighting than was the case before privatisation. The Deputy Premier should focus his attention on Merredin if he cannot take in the concept of the needs of Western Australians across the State. The Deputy Premier is acting like a local yokel. His interjections were ill-informed, and would not be endorsed by Western Australians.

Mr Cowan interjected.

The SPEAKER: Order!

Mrs HALLAHAN: It may be true that a coalition Government cannot run efficient public services.

Mrs van de Klashorst interjected.

Mrs HALLAHAN: That is after they learn the routes, member for Swan Hills. The taxpayers have paid to train people who have replaced MetroBus drivers so they are skilled, informed and able to do the work.

I hope the *Australind* will remain in government ownership and community possession and not be hived off to the private sector.

Mr Cowan: Will you guarantee the public will make greater use of it?

Mrs HALLAHAN: If it is upgraded and run efficiently, with suitable timetables and at a speed that is competitive with private motor vehicles, more people will use it. However, those factors depend on the Government. The Government has increased passenger fares in three consecutive Budgets as an extraordinary discouragement to people to use public transport. If the Government demonstrates the same attitude with the *Australind*, it will price that service out of operation and people will continue to prefer their cars. The Deputy Premier will continue to be a captive of the road industry, which we know he is. Is it not correct that some of the Deputy Premier's best mates are leading lights of the Road Transport Association? The Deputy Premier would not want to do anything to cut across the interests of the Road Transport Association, such as providing an efficient, effective, well priced passenger rail system, no matter what its destination, but certainly not to Bunbury, because it is not close enough to Merredin. We know that.

Mr Wiese: You live in a dream world.

Mrs HALLAHAN: The member for Wagin is not exactly known for his global view either. I hope the Government will provide a service that is comparable with services that communities in the developed world enjoy. That will encourage people to travel by rail, and to leave their cars at home so that we reduce vehicle emissions, which are the major source of air pollution in Perth. I hope the debate on that issue over the past 36 hours has not been lost on members opposite. It is extraordinary how disappointing some people can be. It is even more disappointing when they occupy the government benches and make decisions that affect us all.

Some of the land that will be freed by the passage of this Bill has already been made available to the City of Bunbury. I am sure the Minister would not have done anything illegal. One member who represents the south west was concerned that the new road system would be detrimental to businesses that had operated in that area for a long time. The Minister gave an undertaking that would not be the case and he said there had been a misunderstanding about future road alignments. Apparently, the Government has made a gift to the City of Bunbury of some of the land that will become available when this Bill is proclaimed. Some concerns have been expressed about the proposed site for the railway station and the limit that will place on access to the ocean. The Minister said that that factor must be addressed properly and that is reassuring; however, when a Bill comes before the House surely the details of the project should have progressed further than the Minister saying it should be addressed properly. He should be able to provide concrete information to the people at Bunbury, but that has not been done. In his response to this debate I ask the Minister for Planning to provide information on where the railway station will be located and the extent of the limitation on access to the ocean.

Some of the developments that will occur following the passage of this Bill have, I understand, been in train for a long time. The proposition that the railway station be relocated into the central business district is new. The Minister said that the station need not be elaborate. I agree that neither the station nor the facilities need be elaborate, but if our focus is to be on tourism, which is a big industry in the south west, I hope the facilities will match the purpose for which they are required. I hope tourist facilities, including information and rest facilities, will be provided at the new railway station. I hope it will be a suitable addition to what is one of this State's most outstanding regional centres. When the Opposition was in government it had a great record in promoting Bunbury as a significant regional centre. I am not indicating the Opposition's support for an extravagant building, but it would expect the facility to complement the CBD, on which a lot of work has been done.

The City of Bunbury has been a very strong local authority and I trust it will have a significant say in whatever the Government proposes, in spite of the attitude of the Deputy Premier, who seemed to be proudly boasting that he told it what he thought. It did not sound as though he was taking a positive attitude. I am sure my interpretation is correct.

Mr Cowan: You are as accurate as you have been in the past!

Mrs HALLAHAN: That must mean I am very accurate. I will continue with full confidence.

Mrs Roberts: I don't think the Deputy Premier had enough sleep last night.

Mrs HALLAHAN: That is right. He represents Merredin and that is what he should continue to do. The Deputy Premier is not always unreasonable and I hope that if representatives from the City of Bunbury need to have any discussions with him, they will strike him in one of his better moods.

Mr Shave: I have seen you cranky at times and you do not speak to anybody.

Mrs Roberts: A very wise decision.

The SPEAKER: Order! The member will come back to the point.

Mrs HALLAHAN: Mr Speaker, that is very good advice, particularly when we have inane interjections.

The Opposition will not oppose this Bill. In doing that it acknowledges that some people have reservations because, despite the Minister for Transport's comments, they believe the local community must have input into the ongoing discussions concerning the location of the railway station. The uses proposed for the land that will become available when this Bill is passed appear to be clear, although there is still the question of access to the ocean. Consideration must be given to whether people will be inconvenienced by the decommissioning of the Wollaston Station and the proposed use for that land. The Minister for Transport indicated that consensus had been reached on the use of that land. My experience has been that often people do not realise they will lose particular services until they are terminated. Until the changes are actually made it is quite easy to misunderstand what appears to be 100 per cent community support. I look forward to hearing the Minister's answers to my questions.

MR LEWIS (Applecross - Minister for Planning) [2.57 pm]: I draw the attention of the House to the real purpose of this Bill. It is not about a new railway or building a new railway station in Bunbury; it is about the discontinuance of a rail service that was removed by the former Administration. That Administration did not undertake the statutory tidying up that it should have done at the time. Not one clause in this legislation refers in any way to a new railway for, or railway station at, Bunbury.

Mrs Hallahan: Why did your second reading speech make those references?

Mr LEWIS: The Bill is purely procedural on the basis of giving the statutory ability to the Government to remove railway material and dispose of the railway land, and to give powers to the Minister to transfer the land in fee simple to Westrail so it can be disposed of. That is the substance of the legislation and we have been listening for more than an hour to things that do not have anything to do with the Bill.

Mrs Hallahan: You should refresh your memory by reading the speech you made to this House.

Mr LEWIS: Obviously, the member has not read the Bill.

Mrs Hallahan: I have and I responded to your second reading speech.

Mr LEWIS: Not one of the member's remarks was germane to the legislation.

Mrs Hallahan: Why did you make a second reading speech that was not germane to the legislation?

Mr LEWIS: Obviously, the member is in an argumentative mood this afternoon.

Several members interjected.

The SPEAKER: Order!

Mr LEWIS: I do not want to get involved in a cross-Chamber argument on matters which are not of great moment.

Mrs Hallahan: Give us an update.

Mr LEWIS: It is important that I point out to the House that the debate has been about things other than the Bill. I have also noted the Opposition's support and -

Mr Cowan: No, they are not going to oppose it!

Mr LEWIS: Yes, members opposite are not going to oppose it. I suppose that that is a way of begrudgingly saying that they will support it.

Listening to debate on this Bill, I am reminded of something I discovered when I was in opposition; that is, the longer that an Opposition opposes everything because it is in opposition, the longer it stays in opposition. That is really the guts of it. Members opposite did not see anything wrong with the legislation.

Mrs Roberts: Have you seen the opening paragraph in your second reading speech?

The SPEAKER: Order!

Mr LEWIS: They must oppose because they are in opposition.

Mrs Roberts: We have not opposed - do not lie.

Withdrawal of Remark

The SPEAKER: Order! I call on the member for Glendalough to withdraw those words.

Mrs ROBERTS: I withdraw, Mr Speaker.

Debate Resumed

Mr LEWIS: Opposition members could not bring themselves to say that they support the legislation, so they say they will not oppose it. It is being cute with words. It is a fact that the Opposition has a syndrome by which it cannot agree with anything done by the Government. The longer it holds on to that syndrome and mind set, the longer it will be in opposition.

Mrs Hallahan: You will not be here to see it; you will be long gone.

Mr LEWIS: I will; the member for Armadale will be long gone also.

Mrs Hallahan: Exactly; the difference is that I am not complaining.

Mr Cowan: You've never stopped.

The SPEAKER: Order! I prefer the laughter.

Mrs Roberts: You worked out that you could not get the numbers; that is why you're going.

Mr LEWIS: What a stupid statement for the member to make.

The SPEAKER: Order! I ask the Minister to return to the Bill.

Mr LEWIS: I would like to debate that point another time rather than trying to relate it to this Bill.

It is reasonable to answer the questions asked. I stated earlier that this legislation is about cleaning up business which should have been cleaned up seven or eight years ago. I am the first to commend Hon Julian Grill on the job he did when he was Minister for Transport as he was one of the very good Ministers for Transport produced by the Labor Party in its 10 years in office.

Mr Cowan: You still wish that when he was Minister for the South West he did not spend all the time borrowing money which we have had to pay back.

Mr LEWIS: Perhaps the Treasurer of the day could not give him the money to do the jobs which he thought needed to be done. I believe he did a very good job when he was the Minister for Transport.

I recognise that the second reading speech contains a proposition that suggests that the railway station should be relocated back into downtown Bunbury. I accept what the member for Glendalough said that feelings have been expressed about that. However, that is an argument to be addressed another day. Notwithstanding that fact, questions were asked about whether access to the beach would be restricted if the station were given that location. I point out to members opposite that access to the beach is already a little inhibited by the railway line which services the old outer harbour; I think it used to service mineral sands exports. The railway line is still being used. The intention was to reduce the railway right of way, extend the area marginally - it will probably be an extension of 200 to 400 metres - and provide a new station in downtown Bunbury, which obviously would not inhibit access to the beach because access to the back beach is already available over the existing railway line. I am happy to make the road map available to the member.

Mrs Hallahan: I raised that because the Minister for Transport raised it.

Mr LEWIS: I accept that. The member will see that access denial will not be the case.

Regarding the Bill generally, mention was made that the Bunbury City Council supports cleaning up, in a statutory sense, these bits and pieces associated with the removal of the railway line and the discontinuance Bill, so it can clarify land use matters. Of course, one such matter is Blair Street which has been upgraded considerably by the City of Bunbury and serves as one of the major access roads to Bunbury. Also, it involves the repatriation of some land further north which the City of Bunbury has already zoned. I understand that the zoning will permit the sale of that land for commercial purposes. As the second reading speech indicates, it could raise about three-quarters of a million dollars.

Mrs Hallahan: Why has it taken three and half years to do the cleaning up job?

Mr LEWIS: I could put an equal question back to the member for Armadale: Why did she not do it in the four or five years in which she had the opportunity after she tore up the railway line down to the old station and relocated the new terminal?

Mrs Hallahan: Why did you not do it immediately?

Mr LEWIS: It is a silly question.

Mrs Hallahan: It is a reasonable question.

Mr LEWIS: The fact is that the Government is cleaning up the odds and sods which frankly should have been cleaned up long ago. Why did the previous Administration not do it?

This is a cooperative proposition between the Government and the City of Bunbury, which is keen to see it happen to free up some land for drainage infrastructure for its main access road into Bunbury, as well as making land available for Westrail.

Mrs Hallahan: Are you sure that the Prosser family will not benefit from this exercise?

Mr LEWIS: I do not know anything about any interests by anybody. All I know is what is in this Bill.

Mrs Hallahan: You're the responsible Minister, and the Minister for Planning.

Mr LEWIS: Do the members for Armadale and Glendalough have any interest in it? I do not know of anyone who has any interest in this proposal apart from Westrail and the City of Bunbury. I conclude by thanking the Opposition for its non-opposition and non-support of the Bill; I trust that it can proceed.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate and passed.

GOVERNMENT RAILWAYS AMENDMENT BILL

Second Reading

Resumed from 29 August.

MRS ROBERTS (Glendalough) [3.10 pm]: The Opposition opposes this Bill. The Bill opens a Pandora's box. It will allow third parties to operate trains using their own crews on the government railway network. The Bill will also allow the use of other railway property by third parties - that is, the sale, lease or right to use personal property of the Railways Commission. During debate in the upper House, which was brought on at short notice about a month ago, opposition members raised a number of concerns which were not adequately addressed by the Minister for Transport. As pointed out in the upper House, our concerns largely relate to the privatisation of our rail service and the infrastructure and assets paid for by public moneys being leased and handed over to private companies.

This is not the kind of legislation we can accept, with the Minister saying that it is just about the Hotham Valley Railway. He indicated that there was not a lot more than that to the Bill. However, in his response to debate in the upper House, the Minister said that the Government could have introduced legislation to enable the Hotham Valley Railway to operate but it chose not to do that. This legislation will allow any third party to operate. It is a little misleading for the Minister to suggest that the legislation will benefit only the Hotham Valley Railway, while at the same time in his second reading speech he referred to a responsibility under a competition principles agreement. The Minister is allowing competition on our rail network; he should not try to dress it up as anything different.

This Government and this Minister are out of touch with what the metropolitan community wants in the public transport arena. Nothing in this Bill limits third parties to freight operations or other services. This Bill will open

the floodgates for any operator on any part of our rail network. The current Government Railways Act does not necessarily provide for Westrail to allow competitors onto our rail network. This is what the Bill is all about.

The Opposition supports the Hotham Valley Railway and its considerations. If this is the Government's ambition, the legislation should be narrowed to allow the Hotham Valley Railway to compete through an agreement, in the same way as was done with the Australian National Railways. The second reading speech admits that Westrail will be exposed to competition from the provision of services by other operators on its network. In his response, the Minister suggested that Westrail could compete effectively. We agree that Westrail could compete with private operators very effectively because, as the Minister admits, Westrail is the most efficient or best rail operator in Australia by far.

The Minister has released various strategy documents, such as the metropolitan transport strategy which he put out last year. In its description of the Transperth system, it suggests that it is widely recognised as a high quality, well managed operation with a high level of passenger satisfaction. When we have two such very good systems, why is the Government set on ruining them? Why the change? Its idea is that private enterprise can do everything better. In the area of public transport, private enterprise cannot necessarily do things better. That has been the experience around the world. I have had numerous discussions with people who have outlined failed experiments in the handing over of public transport to private companies in places as far away as Glasgow. The older people in Perth tell me that in the 1940s and 1950s and even earlier private public transport companies operated in Perth. However, those companies were not able to provide the necessary level of service. They went broke and had to be taken over by the Government. It appears that we have travelled the full circle.

Despite the pathetic assurances by the Minister for Transport in the other place, I am very concerned, because the metropolitan transport strategy states that cost efficiency will be promoted by expanding competitive tendering to cover all bus and train services to encourage innovation, flexibility and quality in the provision of services; introducing fare constructions and levels which reflect the cost of providing services. We would have to be taken for mugs to believe the assurances of the Minister for Transport that this is not what the Bill is all about; that it is about helping out the Hotham Valley Railway and perhaps some other operations.

The second reading speech refers to competitive tendering requirements, and transport strategy documents suggest that the Government will promote cost efficiency by expanding competitive tendering - called privatisation - to all bus and train services. I have no doubt that this Bill is really about privatising our train service. The Opposition does not support that move. We do not support what the Government has done to the bus service nor the privatisation of our rail system. I challenge the Government to put this item on the agenda for the next state election, because if the Government properly consulted people in the Perth metropolitan area and country areas it would discover that the public of Western Australia do not support the Government's move to give public transport assets to the private sector to run.

We have already witnessed many problems with the privatisation of buses. The Government should have foreseen those problems because they are the same ones that occurred in other States as they moved to privatise public transport. The Opposition suggested that many problems would be experienced with the takeover by private bus companies, but the Minister for Transport said that there would be no problem; that Swan Transit had experience in running a bus service in Midland. The only advantage in running a Midland service was that the company took over the local drivers who at least knew their way around the suburbs.

I turn now to an extract from *The Advertiser* in Adelaide of 17 January this year, when the South Australian Government moved to privatise some of Adelaide's bus services, which reads -

Adelaide's new privatised bus service has been plunged into chaos with drivers being directed by passengers . . .

The revelations are an embarrassing blow to the operator, Serco, and affect the 17 northern suburban routes taken over from TransAdelaide on Monday.

In other developments, it has also been claimed:

MANY drivers have not been adequately trained.

BUSES are running up to 15 minutes late, with some not turning up at all.

DRIVERS are taking wrong turns and not following the proper routes, forcing some passengers to get off and walk long distances to their homes.

The Transport Minister, Ms Laidlaw, conceded yesterday the British owned management company was experiencing "teething problems".

Interestingly, that is exactly the same expression as that used by the Minister in this State, who refers to the problems as teething problems. To call it a teething problem is to underrate it entirely. The problems with the move towards privatisation should have been known. Adelaide had gone through exactly the same problems only a short while before. The situation in Adelaide and elsewhere has not improved and the problems with that city's transport system continue.

Everything the Government has done in public transport in its four years in office has been working towards a system of user pays and of cost cutting. Although the Opposition supports cutting costs where possible, we certainly do not support the downgrading of services. Fewer buses are operating now than four years ago. About 55 buses overall have been decommissioned. Buses are not waiting if replacement buses are needed. The same level of maintenance is not carried out on the buses and the buses are not kept in the same condition. The bus fleet has aged considerably over the past few years.

It was admitted recently by Greg Martin from the Department of Transport in an article in the *Sunday Times* that the bus fleet of this State had aged considerably. That is because the replacement program had not been in place. Expenditure on preventive maintenance for both buses and trains has been held off. The same thing has occurred with the train lines. Westrail's annual report indicates many uncompleted works in the maintenance of the train lines. That maintenance job is being handed over to private companies and, as a consequence, an enormous number of Westrail workers have lost their jobs.

The best the Minister has been able to offer through his privatisation scenario is a vague reassurance that the Government is trying to improve things; that it will not decrease any services, it will maintain the frequency of routes, and there will be no problems. There is no promise and there is certainly no guarantee of things improving. The only likelihood based on experience elsewhere is that things will get worse. Why would the Government change from a system using MetroBus and Westrail when, by the Minister's own claim, Westrail is the best system in the country, and when MetroBus was roundly lauded by diverse studies, including a *Choice* magazine survey that was conducted a couple of years ago on the metropolitan bus services in all capital cities?

The Perth bus system was regarded by its passengers as one of the most efficient systems. I pointed out in this House only yesterday that the public's opinion of the bus system has started to fall dramatically. It has fallen most among those who regard themselves as heavy users of the public transport system. That is the worrying aspect. Arguably those of us who do not use public transport as often are not as acutely aware of the problems and our opinion has not dropped as markedly. Previously, 42 per cent of people who were heavy users of public transport said that the service was very good or excellent; now only 19 per cent of people rate it that way.

Mr Cunningham: Do the people of Adelaide have mystery bus rides like we do? They are not very popular out my way.

Mrs ROBERTS: Mystery rides were enjoyed - if that is the right word - by the people of Adelaide before they were enjoyed by the people of Perth. I know that some of the member for Marangaroo's constituents and constituents in many other members' electorates have suggested that they have got on a bus and gone for a mystery ride rather than going where they thought they were going. It is more of a mystery for the driver than anyone else. It concerns me that all we have seen so far from the changes are enormous problems in our public transport system, which was regarded highly.

At the same time, the Government wants to extend privatisation to the railways. The only savings that are being made are at the expense of drivers' wages. Inexperienced drivers and drivers who have never driven buses before are being used. Some drivers have driven garbage trucks or have done other courier work; however, they have not driven buses. Drivers who have come from the Eastern States to work for the companies here do not know the local road network. They have had difficulty following their route maps and recognising bus stops. They have missed bus stops; people have been left standing there. They have taken wrong turns and have then had to get advice from passengers about how to get back onto the right route. Some drivers have gone out with empty fuel tanks and have then broken down. These are the kinds of results we have seen from the Government's privatisation of public transport.

Further than that, those experienced MetroBus drivers must support their families, pay their mortgages and meet their bills. They have had a limited choice of whether to go across to a private company, given that there is a surplus of former MetroBus drivers who are not required by either the new operators or MetroBus. Those experienced drivers want security. Those who stay with MetroBus live in fear that if this Government is re-elected, it will eventually privatise the other half of the service. They think that sooner or later their bus routes are likely to be privatised too. Some of them have decided to take up the option of a contract with a private operator. The difficulty is that some of them - we saw an example a couple of weeks ago - are not only being paid much less, in the order of about \$100 a week, but also have been given difficult schedules. The driver who resigned from Swan Transit Operations Pty Ltd

the other week was to do 13 trips up and down the freeway from Murdoch University. I had a look at the schedule. There were stops of as little as four minutes at Murdoch University. He had to work for about nine hours and during that time he got one 20 minute crib break. He felt he would be unduly stressed by making those trips. He was being asked to do the trips in articulated buses and he felt that some of the deadlines were quite tight. For example, he had to go from the Wellington Street Bus Station through the Busport, to Murdoch University and vice versa.

Mr Neil Smith from Swan Transit contacted me and said the driver did not mention this matter to the company. It is one man's word against another's. Neil Smith said he thought he wanted to leave anyway to get the transfer payment. However, he would have got a larger payment had he been able to get a proper redundancy. In a transfer payment, the drivers are short changed if they are long term drivers for MetroBus. The number of two week periods per year of service is limited if they take the transfer to a private company. This man had other skills and felt he had other opportunities. He decided that he did not want to put himself or the public through it. He told me that he raised his concerns with the manager of the Swan Transit depot from which he operated and was told the company would look into it and advise him in due course. When he sought advice a few days later about whether changes could be made to the schedule he had been given, he was told that changes could not be made. In Swan Transit's favour is that subsequent to that, it changed that schedule. No driver is being asked to do what that driver refused to do. Following Neil Smith's investigation of the matter, the schedule was reassessed and it was determined that it was not appropriate. It is commendable that the company made that change.

As the shadow spokesperson for transport, I constantly receive complaints in my office of late buses, buses that do not arrive and children left at bus stops after school. I get calls from not only parents, but also grandparents because they wait for their grandchildren after school and when they do not turn up they have to jump into their cars and go looking for them at the bus stops. This privatisation move has been a failed experiment. It is already failing us with half of the bus routes. This Government seems hell-bent, despite the results, on privatising the other half of the bus routes. This Bill will allow for the privatisation of our trains.

Mr Cowan: You don't need this Bill to do that, and you know it.

Mrs ROBERTS: What I know is what the Government's metropolitan strategy document says. It refers to extending competitive tendering to all bus and train services.

Mr Cowan: As usual you did not listen to me. I said that you don't need this Bill to do what you are alleging or claiming the Government is going to do.

Mrs ROBERTS: That is not what the Minister's second reading speech says. I urge the Deputy Premier to look at that. This Bill allows -

Mr Cowan: A third party to run services along the railway. I know that. But if you want to do some of the things you talk about, you don't have to do that.

Mrs ROBERTS: There is no doubt that the Government is already contracting out by stealth parts of Westrail's enterprise. We have seen that with the security guards. It was not what the Government promised at the last election and I hope it is prepared to put on the agenda, fairly and honestly, at the next State election that it is the Government's agenda to privatise all of our bus and train services. The people of the northern suburbs know that the state of the art train system installed by the last Labor Government is about to be handed over to the Government's mates in private enterprise.

The assets involved in the train system and the public transport system total millions of dollars. However, that asset base is being slowly eroded. One has only to look at the deteriorating bus fleet; and the Minister said that the Government had done a great thing by ordering 93 buses! It is 93 buses too late, because the Government had not purchased a single bus before now. The population is expanding and the metropolitan area is growing, yet the public transport system has been largely on hold. The Government had no choice but to purchase those buses, because they replace buses which needed to be retired.

Mr Cowan: When are you going to talk about trains? This is not about buses; it is about railways.

Mrs ROBERTS: It is about public transport and the direction it is going in this State.

Mr Cowan: It is about railways and all you have done is talk about buses. I do not now how the Speaker can be so lenient with you.

Mrs ROBERTS: If the Deputy Premier had read the Minister's second reading speech, he would not make such inane comments. This legislation is about competitive tendering on our rail network.

Mr Cowan: It is about government railways; it is not about buses.

Mrs ROBERTS: It seems strange that the Deputy Premier regards our train system as completely remote from the bus system and the road system, because they are all integrated. Changes made to the operations of one affect the other. It is therefore a bit insular for the Deputy Premier to suggest I cannot make comparisons between two different modes of public transport.

Mr Cowan: We are talking about amending the Government Railways Act.

Mrs ROBERTS: The Minister said that the Bill also provides for the sale, lease or the right to use real or personal property of the Railways Commission that the third party operator wishes to use for the service and which the Railways Commission agrees to sell, lease, grant or right to use. That is a pretty all-encompassing provision; no part of Westrail or its property holdings will be sacrosanct any longer.

Mr Cowan: We probably got that out of the National Railways Corporation agreement legislation. You might tell me who introduced that into this Parliament.

Mrs ROBERTS: I think I said earlier when the member for Armadale was speaking that the Deputy Premier did not have enough sleep last night. Perhaps he should go and catch 40 winks now instead of being so irritable.

Mr Cowan: No. You are not getting off that lightly - not when I hear rubbish like this. I am staying right where I am.

Mrs ROBERTS: The Deputy Premier, like some of his colleagues, has a poor commitment to public transport. He does not want it debated in this House because he is sensitive about it. He has supported one of the most unsuccessful Transport Ministers in that role.

Mr Cowan: Talk to us about railways, not buses. What do you know about railways?

Mrs ROBERTS: Some people may commend the Minister for what has been done in the area of road transport but no-one would commend the Deputy Premier's National Party colleague for his performance in the area of public transport.

Mr Cowan: Change the circle of people you talk to.

Mrs ROBERTS: I know the Deputy Premier is sensitive.

Mr Cowan: I am not sensitive at all.

Several members interjected.

The DEPUTY SPEAKER: Order! The member will resume her seat. Although I have only just arrived in the Chair, I remind members that people who are making a speech are entitled to make it. There is some latitude as to what can be said, although the member must eventually get around to talking about the Bill. Apart from that, we cannot have two or three members interjecting at the same time across the Chamber.

Mrs ROBERTS: This Government has really dropped the ball with public transport. It has taken what has been recognised throughout Australia as one of the best transport systems in the world -

Mr Cowan: It's a pity no-one uses it.

Mrs ROBERTS: It was not doing too well in 1983 when the previous Labor Government took over after the threat to the Fremantle line and the downgrading of public transport under the previous conservative Government. During the 10 year period of Labor government one of its great achievements was in the area of public transport. It brought our bus and train systems up to being quite competitive and very well regarded throughout Australia.

Mr Cowan: Do you really call a recovery of 15 per cent of the cost of the public transport system efficient?

Mrs ROBERTS: The Deputy Premier cannot deny the fact that both Westrail and MetroBus are highly regarded in Australia and are arguably the best systems in this country according to his own Minister's claim. It is unfortunate the Deputy Premier is downgrading it.

Mr Cowan: I am not at all. I am reminding you of the poor cost recovery.

Mrs ROBERTS: He might want to put that to the electors when he goes to the election. He is out of touch. As I said in this place yesterday, for its taxes, the public expects that certain things will be provided by government. It expects affordable and good health, education and public transport systems. They are the three basics to be provided by government. The way to provide a good public transport system is not by privatising or allowing competition in bus services or on the rail network. That is what this Bill is about. It is about allowing for the privatisation of our rail system. It is not about the Hotham Valley Tourist Railway. If it were about that, the Government could have brought

in a Bill specifically for it. Amazingly, the Minister said in his response in the other place that the Government might not have this sort of request until 50 years down the track. One has hardly to wonder why the Government wants to put in place this all-encompassing Bill if all it is seeking to do is to assist the Hotham Valley Tourist Railway.

One interjection by the Deputy Premier drew my attention to competitive tendering, which is what this is all about. He has confirmed our fears this afternoon by his interjections. He has made it clear to us that in this whole process the Government is about extending competitive tendering to our rail service. The Government intends to put agreements in place for up to 21 years.

Mr Cowan: Gosh!

Mrs ROBERTS: Among the feedback I have received is the question of how this Court coalition Government could sign up with bus contractors for periods up to seven years. I constantly receive complaints about that. The Government is locking future Governments into contracts with bus operators for periods of up to seven years. This Bill allows for agreements of up to 21 years. The Minister said in his second reading speech that they can be terminated in the public interest. I will be very interested to see how easily contracts that the Government enters into can be terminated.

We oppose this Bill in the strongest possible terms. We do not believe for a moment it is about helping the Hotham Valley Tourist Railway. The Government could put in place a special agreement for that, and perhaps such an agreement is long overdue. We oppose this move to allow third parties to use the railway or a portion of the railway or to use their own rolling stock or their own train crews. We object to the right to sell or lease or use the personal property of the Railways Commission. This is an absolute Pandora's box for what will happen to our railway system. This matter should not be slipped through the House under some guise that the Government is doing something for a tourist railway or slipped through before the state election, which is due some time in the next six months. The Government must be go back to the electorate and ask the people of Western Australia, "Are you happy to have a Government that will enter into agreements with third parties for them to run and operate in competition with Westrail?" That is what this is about. This is a watershed and the issue is a matter of policy. It is not something that should be entered into by stealth and certainly not something this Opposition will lightly rubber stamp. We oppose this Bill because we understand what it is about. I am sure the public of Western Australia will understand what it is about. The only danger to the Government is highlighting some of the consequences of the Bill. It is similar to that which has started to happen to our bus service. I am not suggesting that between now and the next election the Minister for Transport or the Government will dash out and enter into any agreement other than with the Hotham Valley Tourist Railway. The Opposition has no problem with that. If the Court Government is re-elected, as sure as night follows day it will be allowing others onto our rail network. No aspect of the railway or the personal property of the Railways Commission will be safe from tendering out under this Government.

MRS HENDERSON (Thornlie) [3.49 pm]: I rise to support my colleague -

Mr Cowan: Someone has to!

Mrs HENDERSON: If this Bill were about providing support and assistance to the Hotham Valley Tourist Railway in its endeavours to run the tourist railway, we would be strongly supporting the Bill. We would give substantial support to that group in its efforts to provide an alternative railway for pleasure for tourists and locals who want to go for journeys in locomotives and wagons that the group has restored and purchased. We are strongly of the view that this Bill is not about the Hotham Valley Tourist Railway. Had the Government been concerned about that group, it could have drafted a Bill specifically to assist it.

As has been quite clearly outlined by my colleague, there is an enormous lack of trust in relation to this Government and its approach to transport issues. When we look at this Government's record in the rail area we can draw no comfort. A coalition Government closed down the Fremantle line. Thousands of citizens of this city demonstrated, signed petitions and rallied in support of that line. That Government rejected those approaches and refused implacably to reopen the line. A Labor Government reopened the line, and it is now an essential part of our metropolitan transport system.

Prior to the last election, this Government claimed that not only would it maintain the Midland workshops but it would refurbish, upgrade and reequip them to bring them into the twentieth century. As we saw, immediately following the election, it did precisely the opposite: It closed them down and made hundreds of workers redundant. Some of the work done at the workshops has now gone to local companies, but a large amount has gone interstate. We have lost jobs and skills and, in particular, we have lost training opportunities for young men, as it was primarily young men who went in their thousands to do apprenticeships at the workshops -

Mr Cowan interjected.

Mrs HENDERSON: That does not surprise me. Those workers knew that the Government had no intention of upgrading or refurbishing the workshops. The Government has no commitment to rail transport. Those workers did not have a future, so it is hardly surprising that they lined up for redundancy payments.

The Midland community, which was built around the workshops, believed the Government's promises. The member for Swan Hills, who was campaigning at the time, was placed in a very embarrassing position. I went to a large public meeting at Midland that she attended. I give her credit for having the courage to face over 1 000 angry people in an area where she had extensively doorknocked on the basis of the Government's promises. She had to say that it was not her fault but the Government was about to do a complete about face and close down the workshops and abolish jobs. Based on those experiences, is it any wonder that we do not believe the current Minister for Transport when he tries to give the impression that this Bill is about helping the Hotham Valley Tourist Railway Association?

Mr Bloffwitch interjected.

Mrs HENDERSON: It will help the association, but a simple Bill could have done that - one not as broadly drafted as this. This Bill opens up the opportunity for any third party to obtain a contract with the permission of the Minister to run wagons or carriages on a publicly owned rail track. There is no question that, because this Government does not have a fundamental commitment to public transport and public ownership, should an organisation approach it seeking, for example, to transport grain, it would be open to the suggestion and would be more than happy to allow that company to operate in competition with Westrail. In many cases such a company could probably underbid Westrail, because it would not have the administrative infrastructure and statewide responsibilities that Westrail has.

The member for Glendalough very eloquently outlined the situation in relation to the bus system. This Government has fragmented bus services and given companies that had practically no experience in running such services all the accumulated assets, knowledge and expertise that had been developed by MetroBus. It did that purely for ideological reasons. It wanted the buses run by private companies. There was never any suggestion that the private companies could run them more efficiently. Indeed, the experience has been exactly as many people forecast: They have not been able to run them more efficiently. How could one compare the experienced, competent, well trained, government bus drivers with the motley collection of council garbage truck drivers and others who have come into these jobs?

Some of the examples cited by the member for Glendalough are still occurring. My children tell me that it is not unusual for bus drivers not to have a clue where they are going and for the passengers to direct them. I suggest to the Minister representing the Minister for Transport that if public sector employees were to perform in that way, members opposite would be the first on their feet proclaiming that such a service was unacceptable and that such people should lose their jobs. Yet here we have people in charge of buses who do not have a clue where to go, and who are trying to look at map books while driving buses with 40 people dependent on their skill to get them to their destination. How unsafe is that? The Government's ideological obsession to have buses run by the private sector gives us no confidence at all that it would not seek to do the same in relation to trains. I have no doubt that following the next election, should this Government be returned to office, it would see trains as the next soft target for privatisation.

The drafting of this Bill allows any company for any purpose to apply to run private carriages and wagons on public rail lines in any part of the State. That is the reason for the Opposition's concern. As I indicated, we support the efforts of the Hotham Valley group. They have been pioneers in establishing a tourism service that has attracted a loyal following of people who continue to take trips on the routes they offer. We understand that they have found it difficult to deal with the cost structure associated with using Westrail drivers. That is the essence of this Bill. If private operators were able to run their own trains on Westrail tracks, the only way they could run them more cheaply would be to do as the bus operators have done; that is, to pay the people driving the trains substantially less.

Mr Wiese: This is not true. That is blind ideology.

Mrs HENDERSON: It is a fact. If the Minister were to talk to some of the bus drivers - he probably does not have any in his electorate -

Mr Lewis: That is not the only way you can make it more efficient.

Mrs HENDERSON: I said that in relation to MetroBus, which had already been made extremely efficient and productive, the only factor that is different -

Mr Lewis: It isn't.

Mrs HENDERSON: They must drive the same routes to the same timetable for the same fares.

Mr Lewis: No they aren't.

Mrs HENDERSON: They are at the moment. I will not be surprised if following the election some of the routes are dropped; that is exactly what I suspect will happen.

Mr Lewis: You can surmise as much as you like.

Mrs HENDERSON: I will. The less profitable routes and those to the most far flung parts of the metropolitan area that are not heavily populated will be reduced. At the moment the contracts with the private providers stipulate that they drive the same routes to the same timetable for the same fares. On that basis the only way they can operate those routes cheaper than MetroBus is by paying the bus drivers lower wages, and that is exactly what is being done. Drivers are being paid up to \$100 less to drive the same routes that they previously drove. It is no wonder most of those bus drivers did not take up the opportunity to move over to the private companies. It was nothing less than a slap in the face for many of them who had been driving buses for many years to be told that others who had no experience in driving buses could come in, people who had previously driven the council garbage truck or the reticulation truck that is used to water the parks and gardens. It is no wonder that these experienced bus drivers found that to be quite insulting in terms of the training that they had undertaken to do their job.

Every day those of us who are in touch with our electorates receive complaints not only about these new drivers not knowing the routes, not being on time, passing bus stops etc, but also about what will happen for future training for these new drivers, safety standards in relation to the public and the buses and their maintenance. This change has been made in a step by step process. In the first instance the private contractors are having their hands held by MetroBus to the extent that MetroBus still owns, and presumably maintains, the buses. Those things are handed over bit by bit to the private sector, so that it is given the opportunity to develop gradually the capacity to do things that at the beginning it was totally unable to do.

There is no evidence of any improvement in the standard of service or the frequency of the service. Nothing like that has been experienced, and no-one has suggested that it will be. The Minister's only suggestion is that if the private contractors are given a few more months to get over their teething problems, they might come up to the standard of service that was previously offered by MetroBus. What on earth is the point of going through that kind of exercise so that eventually we can get to the standard we previously enjoyed? The only reason is that it saves the Government money by paying bus drivers less.

It is a pity the Government does not recognise that at the end of the day all of those ordinary men and women spend most of their wages in the local economy - paying off their mortgages, buying food and clothing, and looking after their families. That money is part of what makes the local economy remain buoyant.

Mr Shave: We should give them an extra \$500 to spend. That is the level of your intelligence.

Mrs HENDERSON: I know the member for Melville wakes up only every couple of years to make an interjection, but when he makes one, he should try at least to understand what the debate is all about.

Mr Shave: You have no understanding of business. The sooner you are out of here the better.

Mrs HENDERSON: The issue in relation to railway lines is that this kind of legislation is designed to pave the way to allow the Government to do the same to rail transport as it did in relation to buses where there was no public demand, no public protest and no request for a change to the existing public transport system. In my electorate very large numbers of people use buses and trains, and I receive many telephone calls complaining about the bus and train service.

Mr Shave: Give people more money to spend; that is what you're saying.

The DEPUTY SPEAKER: Order! I formally call the member for Melville to order for the first time.

Mrs HENDERSON: I have convened a number of public meetings on the issue of public transport. I have always found the senior echelons of MetroBus and others to be very responsive to the issues the public has raised about public transport. The truth is that the people who use public transport the most in this State are perhaps the least advantaged; that is, the frail, pensioners, the elderly and school children. It is not the middle chunk of people, as much as we would like it to be. People who are in the work force, aged between about 20 years and 50 years, are the lowest users of public transport. That is a pity.

I have travelled to other cities around the world and I have seen that that is not the case there. A very substantial proportion of the working population in some large cities uses public transport to travel to and from work. It is not just to do with the layout of our city; it is to do with commitment by the people who make the decisions about whether public transport should be made sufficiently attractive, convenient and speedy to suit the requirements of those who use it to go to work. As long as those who are in government - whether state, local or provincial in various parts of the world - do not have that commitment, the traffic problems will not be solved. There is no question that this

Government does not have this commitment because the Minister for Planning responds to this issue every time it is raised by saying, "Well, Western Australians love their cars and that is the way it is, so we'd better just build more roads."

Mr Lewis: You will legislate that people cannot use their cars; that is your plan.

Mrs HENDERSON: Not at all. We are not interested in coercive action. The Minister's solution is to build a few more freeways and a few more tunnels and bridges to accommodate greater volumes of traffic to enable people to drive more quickly into the city. That will never solve the problem. One of the most far-sighted people in public transport to whom I had the opportunity to listen was the Mayor of Toronto. The city of Toronto is not dissimilar in size and layout to Perth.

Mr Lewis: And it has no freeways!

Mrs HENDERSON: Does the Minister know what overseas people think of our freeway? It is a mickey mouse freeway. It is the tiniest, piddliest, little freeway that there could be in a capital city.

Mr Lewis: Have you seen the Toronto freeway? The Queen Elizabeth freeway makes our freeway look mickey mouse!

Mrs HENDERSON: If the Minister looks at the way in which Toronto went about getting ordinary working people out of their cars and into trains -

Mr Lewis: I have been there and studied its public transport system. Its freeways are twice as big as ours.

Mrs HENDERSON: Good; then the Minister will know that over 30 per cent of all working people -

Mr Lewis: The trains do work.

Mrs HENDERSON: What the Minister does not seem to understand is that over 30 per cent of working people in Toronto catch the train to work. Why is that the case? It is because Toronto has planned the operation of the trains, the layout and the frequency of the service to suit what people need; to get them rapidly to their jobs in the morning and out of the city in the afternoon. Toronto has succeeded, despite the fact that it has a network of freeways and good roads. It has not just said, "Our people love their cars so there is not much we can do about it." That is what the Minister is saying.

Mr Lewis: A 14-lane freeway bypasses the city of Toronto.

Mrs HENDERSON: That might be the case. However, I am saying that the city of Toronto has tackled the problem in a way that is energetic and enthusiastic. If the Minister has travelled on the light rail system over there, he will know that in the morning it runs about every four minutes from all stations just out of the city where people live. Density housing has been designed around those stations. That housing is designed to be extremely attractive to encourage people to live near railway stations and to make it possible for people to walk from their front doors to the nearest railway station to catch a train to work easily. That city has succeeded because it had the commitment, the energy and the vision to do this. That is something that is entirely lacking by those on the other side of this Chamber in relation to public transport.

Mr Lewis: You have been listening to Peter Newman. He is a failed academic.

Mrs HENDERSON: I guess the Minister would find his views anathema. He is not a failed academic; he is an associate professor, probably achieving a higher recognition in the community than that to which the Minister could ever aspire. For many years he has been able to pinpoint the direction in which Perth needs to go. History will show that people like Peter Newman with that kind of vision should have been heeded long ago. For the Minister to talk about Western Australians being in love with their cars and, therefore, there is nothing the Government can do about the situation, shows a total lack of vision. People who do not have that vision and the capacity to move forward and recognise what the future demands should not occupy those positions. They should say that they cannot cope with these problems for the future; they cannot see any solutions, so they will hand it over to somebody else.

This kind of legislation should not be brought forward. It is deliberately designed to allow for future wholesale contracting out of the carriage of people and, possibly, goods on our rail system in the same way as the Government has done with the bus system. There is no question that this Bill paves the way for that and we as an Opposition are implacably opposed to it.

MR LEWIS (Applecross - Minister for Planning) [4.10 pm]: I have again sat here patiently for a couple of hours and listened to the Opposition talk about everything other than the Government Railways Amendment Bill. The Opposition has gone on about public transport, buses and other matters, and has not really addressed the simple

provisions of this Bill. At least this time the lead opposition spokesperson has said that the Opposition does not agree with this Bill and will oppose it categorically.

This Bill is very simple; it comprises only three pages. It is intended to allow third parties, or people other than the Government of Western Australia and the Railways Commission, to use the rights of way and the tracks that are constructed in those rights of way. Currently, the use of those railway lines is restricted to the Government; and, on the Kalgoorlie to Perth line, to the National Rail Corporation. It is strange to hear the member for Glendalough say that we should not have competition on railway lines. Her whole argument was predicated on the basis that the Government does it best and we do not want to have competition because we may discover that perhaps the Government does not do it best. For that reason, no-one else should use those railway lines.

That flies in the face of the national competition policy, which was embraced by both sides of Federal Parliament during the previous Labor Administration as the Hilmer report. That will go down in history as one of the achievements of former Prime Minister Paul Keating, yet today small minded members of the Opposition cannot see the wisdom of the national competition policy that was espoused by Hilmer and adopted by their federal Labor colleagues when they occupied the government benches. As I understood it, the Opposition supported Hilmer and the national competition policy when the federal Labor Party was in government, yet today, members opposite, in pursuit of the view that because they are in opposition they must always oppose, cannot see the wood for the trees and are opposing this simple piece of legislation.

A good analogy with this Bill is public roads. Public roads are owned by the Crown, and the control of public roads is vested mainly in local government, and sometimes in Main Roads Western Australia. Those roads are constructed by using public funds. If we wanted to take the argument of the Opposition further, only government vehicles should be allowed to use those roads because the Government built them. No-one else should be allowed to use them because there might be competition. I thought our nation was built on competition and on people devising ways in which to become more efficient and economic and to find the edge so that they can produce a better quality product at a better price. However, the mind-set of the Opposition is that we cannot allow third parties to use the highly restricted rights of way that exist on the rail system in Western Australia because we may find out that the Government is not producing the best quality product at the best price. The fundamental argument of the Opposition, talking on behalf of Government employees, and wrongly talking on behalf of Westrail, is that if we were to open up those railway tracks to other people, we might find that we were not operating efficiently.

Mrs Roberts: That is not what the Minister for Transport says. He says Westrail is the most efficient railway operator in Australia.

Mr LEWIS: The argument put by the member for Glendalough is an absolute nonsense. The Opposition wants to restrict third party operators that have no connection with Westrail and that might want to run their own rolling stock from the east coast of Australia to the west coast of Australia, or from Perth down the great southern line or the Geraldton line, or whatever, but are currently not allowed to do so because of the embargo or statutory bar. The Opposition believes no-one else should be able to use those tracks. I cannot see the logic in that argument. It is predicated on the hypothesis that a future Government may contract out passenger rail services. It is predicated on that negative.

Mr Bloffwitch: It could be a positive.

Mr LEWIS: It could. A much broader issue is that other companies may be prepared to invest in rolling stock and locomotives, and to haul their own freight over that track, but the Opposition believes we should not let that happen. That is a very weak argument. I commend the Bill to the House.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate and passed.

SKELETON WEED AND RESISTANT GRAIN INSECTS (ERADICATION FUNDS) AMENDMENT BILL

Second Reading

Resumed from 26 September.

MR GRILL (Eyre) [4.20 pm]: The Opposition understands there is some urgency with respect to the passage of this Bill and it is prepared to respond to that urgency by expeditiously passing the legislation through this House. However, there is an intriguing question at the beginning of the debate; that is, why have we, as legislators - I include members on both sides of the House - not made provision for this eventuality in previous legislation. A crisis has arisen in the lupin industry in this State and there appears to be no adequate legislation to allow for the collection of

funds by levy to fight the infestation of anthracnose. It has recently come into this State and has seriously affected some lupin crops. We have been remiss, and perhaps Agriculture Western Australia has been remiss, for not having thought of this possibility sooner. This Government appears to have been caught rather flat-footed and the urgency in relation to this legislation is a result of that.

To some degree, we must be embarrassed by the situation. The possibility of an outbreak of this type of disease in a range of crops in Western Australia has not received the attention it should have. I do not know whether the department has considered the matter, and perhaps the Minister has asked this question. The question immediately jumped to my mind and perhaps we should know from the department why it is necessary to pass this legislation with such urgency, when it appears the possibility of those sorts of crises emerging from time to time should have been contemplated. It is an intriguing question that should be put to the department. If it has not alerted the Minister for Primary Industry to this possibility at some time, it has been remiss. Certainly when I was Minister for Agriculture some years ago, the department did not alert me to that possibility and I suspect that applies to other Ministers. We must be vigilant and the Minister has made a number of statements on this subject in recent months. He said recently that we need to be prepared, to be more vigilant and to be on guard against the outbreak of exotic diseases in this State.

The legislation is of general application although it has been triggered by an outbreak of anthracnose in Western Australia. It is now contemplated that the type of funds set up under this legislation will in future need to be set up for other crops and possible outbreaks of disease in those crops. Western Australia has now been subject to a succession of outbreaks of disease, some insect diseases and some fungal diseases, and infestations of crops and industries. It must be of great concern to the Government. It is of concern to the Opposition, and I am sure it must be of critical concern to the Minister. One wonders whether this Government is properly resourcing its departments so that they can prevent diseases from entering the State and whether they are properly equipped to deal with them once the disease has a foothold. A number of crises have occurred in response to outbreaks of disease. It has been all hands to the pump and everyone has done the right thing. I do not want to be critical because we have been successful in eradicating outbreaks of diseases. Nonetheless, a number of industries have been threatened by exotic diseases over the last few years, and it is beginning to be a worry.

I have also heard anecdotal evidence of some lack of staff morale in Agriculture Western Australia. I wonder whether the department is being as well funded as it might be. One must query whether sufficient resources and funds are available to the department to enable it to carry out its functions. It is dealing with multimillion dollar industries.

With regard to the crisis before us at present, the disease of anthracnose has principally affected the *Lupinus albus* species. Two species of lupins are grown commercially in Western Australia; one is the albus species and the other is angustifolius. Albus is the European white lupin that grows on heavier soils. It is not a big crop in Western Australia, and is probably valued at between \$250 and \$30m. The big value crop in Western Australia is the angustifolius species, which is a white lupin developed in Western Australia, principally by the agriculturalist, John Gladstone, who is also well known for his work in other agricultural domains. Angustifolius does not seem to be infected by anthracnose to anything near the same extent that the European variety has been. The Minister did not refer to angusta folia in his second reading speech, but referred to the narrow leaf varieties of lupins. I think he was talking about angustifolius. That is not to say, as I have been told, that angustifolius is not affected. It has been affected, although the effect of anthracnose has been slight compared to the effects the disease has had on the albus species. Angustifolius is a high yield crop in Western Australia with a value of approximately \$200m. It could be as high as \$250m depending on the success of the season.

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

Debate thus adjourned.

[Continued on page 6692.]

GRIEVANCE - JANDAKOT WATER MOUND BOUNDARIES

DR WATSON (Kenwick) [4.31 pm]: My grievance is directed to the Minister for Planning. I ask him to extend the closing date past 8 November for submissions to the metropolitan regional scheme amendment for the rural ground water catchment protection zone. He has received a letter to this effect from me and he has probably received approaches from the member for Jandakot.

I wrote to the Minister on 9 October after a meeting at Banjup hall that was called by ward councillors of the City of Cockburn. I outlined concerns in that letter and a previous letter dated 2 October, on behalf of landholders in the Banjup kennel zone.

Before I refer to those specific concerns I will touch briefly on issues related to the Jandakot water mound. Although the Minister will probably know, for members' information this mound is recharged by winter rainfalls. It flows out to the sea in the west and into the Swan and Canning Rivers in the north and north east. Evaporation comes from the mound through the wetland chains on either side running from north to south. It is part of an interdependent system. Everybody who lives on that mound is concerned that it be conserved in both quantity and quality.

At the meeting, the member for Jandakot and I were most concerned to learn that people had been asked to make submissions without their receiving full information. It became increasingly evident during the meeting that landholders were being asked to make their submissions without full information. Not all landowners had received notice of the amendment and not all had the same information as everybody else in their package of information. Incomplete but relevant policies are in the pipeline and due to be released which contain information which should be available to landowners before they make their submissions. However, I understand that information will not be available before 8 November.

On the other side, the planners and the Water and Rivers Commission are continuing research on the impact of certain industries. They did not have full knowledge or information about all the activities on the mound. In addition, members of the audience who had some technical knowledge were sceptical about the modelling studies and reasons for redrawing the boundaries. I shared all those concerns. I moved a resolution, supported by the member for Jandakot, that the Minister be requested to defer the closing date. People are most concerned that another advertisement was in the paper on Saturday calling for submissions to be made by 8 November.

I have two additional reservations. The major one is that small landholders and small business will be scapegoats for the big sand mining and soil mixing businesses as well as estate developers. Those views were not developed at the meeting, but many people phoned me the next day to express concerns. Three years is far too long to wait for proclamation and conservation of the Jandakot Botanic Park which will provide crucial protection for the ground water.

Mr Lewis: Jandakot Botanic Park is in place.

Dr WATSON: It is neither proclaimed nor protected. That should be done immediately. The other day the Minister sent me a letter indicating that it will be three years before it is proclaimed. I have concerns about the difference between the maps produced by the Water and Rivers Commission and the Planning Commission. The Water and Rivers Commission probably gives the best idea of the three priority zones. The third priority zone is not designated on the Planning Commission map, adding to people's fears that minimising risk from urban development is not seen as a priority by the Planning Commission.

We need only consider the old and the new boundaries; the Labor boundaries and Liberal boundaries; or the safe boundaries and the questionable boundaries. I have grave concerns that it seems as if the Government will be accepting impractical and unenforceable boundaries. Some land holders will have two different zonings on their small landholdings of between two and five hectares. That will result in predictable difficulties in trying to draw lines on a map to ensure that ground water is protected and appropriate land use is maintained.

I was concerned to read again the summary of the Minister's submission to the Select Committee on Metropolitan Development and Ground Water Supplies in which he raised concerns about quarantining large tracts of land close to Perth. His submission does not indicate to me that he thinks this is a serious issue. Once again, the major concerns are that small business and small landholders will be the scapegoats for sand miners, noxious industries and urban estate developers.

MR LEWIS (Applecross - Minister for Planning) [4.38 pm]: Either the member for Kenwick has not been in this place for long periods listening to debates or she is being politically opportunistic in suggesting that I was not genuine about my professed position on this issue.

Dr Watson: If you have changed your mind that is good.

Mr LEWIS: I was the one who initiated and sponsored the ground water select committee. I suggested in a 1991 position paper, when the coalition was in opposition, that we should do something about our ground water. That paper existed for two years and the Labor Government did nothing. I am the one who has driven this matter and taken responsibility for the Government to ensure that this issue is handled properly. I have always recognised that the arbitrary definition of ground water boundaries based on cadastral boundaries was not in any way scientific and that before we could work out who was affected the boundaries must be determined scientifically. I get angry when I hear the uninformed commentary from the member for Kenwick that she has grave reservations about the definition of the boundaries.

Mrs Roberts interjected.

The DEPUTY SPEAKER: Order! The incessant interjections of the member for Glendalough will cease, otherwise I will formally call her to order. The grievance has been taken by another member, and I am allowing some degree of interjection. However, if the Minister needs an opportunity to answer, he will get it.

Mr LEWIS: Questioning the validity of those boundaries, which have been determined scientifically using the best scientific advice in the world, reflects pretty badly on the understanding of the member for Kenwick. It has taken the Government 15 months to set those boundaries on the Jandakot mound.

Dr Watson: You have reduced the boundaries.

Mr LEWIS: Shut up! I listened in silence to the member for Kenwick.

Mrs Roberts: You really are rude.

Mr LEWIS: The member for Kenwick is rude for continuing to interject. I have been approached by the member for Jandakot and also the member for Kenwick. The member for Jandakot has been on top of this problem for some time. The member for Kenwick all of a sudden has jumped on the bandwagon because an election is around the corner and she might get some political mileage out of this. If she were dinkum, she would have brought up this issue previously, because it has been affecting her electorate for many years. However, she has sat in silence. This Government has got on with the job of identifying the ground water boundaries, so it can make rational decisions. We have moved uniquely, and for the first time in 30 years, to create a new zone to protect Perth's ground water. Are the member for Kenwick and the Opposition saying that we should not do these things; that we should not worry about our ground water?

Dr Watson: Look at the map. Who shrank the boundaries?

Mr LEWIS: That is what the member for Kenwick said. This Government is concerned. Ground water is one of the most important assets of this State, and this Government will continue to pursue a policy that will protect that asset by statutory means under regional planning schemes and environmental policy planning.

I readily recognise that some people have not been notified, even though on my advice about 1 500 letters have gone out. I know that perhaps not everyone has been notified as a result of the administrative procedures of the planning agency; people err from time to time and sometimes the records are not up to date. On that basis I am happy to take advice and recommendations from the Western Australian Planning Commission on whether we should extend that period. However, I will not do that because the member for Kenwick stands here and says it should be extended. I will take advice; I will look at the documents that have been presented and then make my decision.

I recognise the concerns of people in the kennel area because some informal advice was given that their activities may be restricted in the future. I reject that. I believe more damage is done to our ground water by the grazing of beasts such as horses, cattle and the like than by the excrement of dogs and cats in a confined and designated kennel area. Member for Kenwick, I accept that some anxiety has been put in the hearts of those people. That will be addressed in the process. The process to approve major amendments is lengthy; however, at the end of the day any amendment will come to this House. I can assure the member for Kenwick, as I have assured the member for Jandakot, that those anxieties will be addressed. That will be done properly. They will not be addressed as a knee jerk reaction to the concerns raised by the member for Kenwick, who is looking for political kudos in the run up to an election. This Government is dinkum about protecting our ground water supplies. That will be done properly, and all people's rights will be taken into account and considered.

GRIEVANCE - DRUG EDUCATION IN SCHOOLS

MRS van de KLASHORST (Swan Hills) [4.45 pm]: I direct my grievance to the Minister for Education on behalf of members of the Lions Club of Swan Districts, who are most concerned and wrote to me on the issue of drug education in Western Australian schools. This is such an important issue it is worthwhile bringing it to the attention of the Minister and the House.

The members of the Lions Club of Swan Districts are concerned parents and citizens who live in the hills area and the Swan Valley. Members include primary and secondary school teachers, and one member is the president of the parents and citizens' association of one of the local schools. They have been looking at the issue of drug education in Western Australian schools as part of a project to increase public awareness of drugs and drug education. They have pointed out - I know, because I was part of it - that in 1985-86 the Education Department introduced the WA health education K-10 syllabus.

I participated in an induction course for that syllabus in Western Australian classrooms. The syllabus is used in most non-government and government schools in Western Australia. It is an excellent document with many relevant and up-to-date facts. Many issues are generic, and remain up to date. However, many trends and issues have changed

since 1985-86 and this is what the Swan Districts Lions Club is concerned about. Some supplements have been added to the syllabus, such as HIV prevention education, and the club is happy about that. However, the club is concerned because drug education and the new trends such as the current harm reduction approach are not contained in the new syllabus and have not been given to the teachers at the schools.

The harm reduction approach was accepted by the WA Task Force on Drug Abuse, which was set up by the Premier and supported by the Health Department and the Education Department of Western Australia. Health education is not a mandatory subject in Western Australian schools, and individual schools choose how much of the health syllabus will be taught. We know that drug education plays an important role in reducing drug related harm among adolescents and young people. I back the Lions Club of Swan Districts in its call to update that syllabus so that the modern harm reduction approach is entered into the syllabus and circulated so teachers can be inducted into its use in the school system.

A number of caravans move around the outer metropolitan area and country areas to bring drug education into some schools. However, this service is not available to every school in Western Australia. I am talking from my own knowledge rather than from advice from the Lions Club on that. The caravans have skeletons and other visual displays to show what happens when drugs are injected into the system; how they affect the brain and the various organs of the body. I have brought this to the Minister's attention on behalf of the Lions Club and all children in Western Australia, and I ask that it be attended to as a matter of urgency.

MR C.J. BARNETT (Cottesloe - Minister for Education) [4.50 pm]: I thank the member for Swan Hills for raising this matter. As she very clearly expressed, the Lions Club of Swan Districts (Inc) and other Lions Clubs and community groups have taken a wide interest in the issue of drug abuse and have adopted a preventive approach to drug education within the schools.

The member for Swan Hills made the point that, when she was a practising teacher, the health and physical education K-10 syllabus was introduced and it is still being used. Most teachers accept that that syllabus has provided good quality support and teaching materials. At the same time, members and the community recognise that time has moved on and the syllabus no longer reflects the current best practice in harm reduction. Measures are being taken to correct that matter. A decision has been made by this Government to set up a curriculum council which will be unique in the sense that it will include input from the government, catholic and independent school systems. The council will address the syllabus from kindergarten to year 12.

The emphasis in the curriculum will be on what students will be able to achieve and it will cover eight learning areas - the arts, English, health and physical education, languages other than English, mathematics, science, studies of society and the environment and technology and enterprise. Each of the learning areas will be supported by a learning area committee and community reference group. In fact, the community reference group for health and physical education is the first of all the groups to be up and running. This reference group has resolved, as a statement of principle, that students need to have the appropriate knowledge and understanding to be able to take care of themselves; for example, in the areas of legal and illegal drugs. That reference group and the broader curriculum council have an acute awareness of the importance of the drug education aspect of the health and physical education syllabus.

The member referred to the Government's task force on drug abuse, commonly known as the Daube report. In response to that report, the Education Department initiated a schools drug education task force which has cross-school membership and is updating programs and reintroducing them into the schools. Work is being undertaken by both the curriculum council and the schools drug education task force.

Groups like the Lions Clubs have made a substantial contribution in this area by raising public awareness. I invite them to make their views known to the reference group which is working on the curriculum. If I can be so bold, I suggest to the member for Swan Hills that she coordinate with the Lions Clubs to ensure that they make their views known to the reference group. Their views would then be reflected in the curriculum content material. It is a big challenge because the problem of drug abuse is widespread.

It is easy to say there is drug abuse in our schools, but in reality it is drug abuse by young people and some not so young. It is natural for drug abuse to be prevalent within the school system and a lot of schools are tackling the problem. I have visited well over 100 schools this year and I have been impressed at the level of maturity among young children, especially the students in secondary education. They are increasing their awareness of drugs, respect for themselves and their ability to take responsibility for themselves. We must make sure that teachers, whether they be Education Department teachers or visiting teachers, have the necessary material and knowledge to help these children to resist the temptation of drugs and to be better informed. It is an important issue for not only schools, but also young people in general and it is something to which I will give high priority. The fact that this part of the curriculum is the first to be tackled reflects the urgency of the issue.

GRIEVANCE - CHAN, FRANCES MARY, REAL ESTATE AGENT, FRAUDULENT ACTIONS

MR CATANIA (Balcatta) [4.55 pm]: I direct my grievance to the Minister for Police. I did intend to address it to the Minister for Fair Trading; however, it really concerns a matter of fraud and would be better dealt with by the Minister for Police. My grievance deals with a particular case and person. The name of the person is Frances Mary Chan who is a real estate sales person, confidence trickster and shyster.

I am sure the Minister is aware that the registration of title under the Torrens land title system involves a title by registration and not registration by title. A certificate of title is a valuable document. Having possession of somebody's certificate of title is similar to having possession of somebody's Bankcard. Real estate agents often have certificates of title in their possession and for that reason alone they must be of impeccable character.

On 12 different occasions Frances Mary Chan has been able to win over the confidence of elderly people and obtain from them their most valuable possession; that is, their property. The people who have been defrauded of their assets have taken their complaints to the Ministry of Fair Trading. One person has had the complaint examined by the fraud squad. In each case neither the ministry nor the fraud squad has acted diligently to bring this person to book, and I hope the Minister will address this issue when he replies.

Frances Chan has exploited her position as a real estate agent by forming close relationships with these people. By deception, she has succeeded in taking from these people their most valuable possession. One case involves an elderly couple, aged 88 and 77, who were coerced into signing a mortgage document for \$82 000 or 86 per cent of the value of their property. They wanted to sell their property so they could get into a retirement village. Frances Chan has virtually taken an asset which belongs to this couple. In another case an 87 year old kind and trusting lady who would not harm a fly has been coerced by Frances Chan into taking out a mortgage with Trustwest. Without any legal assistance she signed the mortgage document while leaning against the fencepost of her home in Cannington. Frances Chan gained the confidence of these people and then divested them of their most valuable possession. These people thought the money from the sale of their property would get them into a retirement village. In one instance, the money from the sale of a property was to be used to help a relative who wanted to go into a business and this disappeared.

This sort of behaviour is despicable. This person has shown a lack of consideration for these people. The behaviour displayed by Frances Chan and her accomplices should lead to their imprisonment. We cannot have people going around ripping money off elderly people who do not know what they are getting into.

Mr Johnson: What has she done?

MR CATANIA: She is a confidence trickster. She has gone into these people's houses and gained their confidence. They have given her the titles to their homes and have mortgaged their properties in her name. As I said, she has grabbed their most valuable possession from them. She should not be allowed to trade in the real estate industry. I urge the Minister for Police to ensure that the fraud squad examines this case. I will give the Minister a summary of the cases which have been provided to me by the solicitors representing these people so he can pass it to the fraud squad. I urge the Minister for Police to advise his colleague the Minister for Fair Trading of this matter, and encourage the Minister for Fair Trading to ensure that Frances Mary Chan's licence is not renewed so she no longer is able to practice in this industry as a salesperson and is unable to rip people off and blemish the name of the industry.

The Minister for Police must also ensure that the fraud squad examines these cases. The Opposition will make the material available to the Minister for Police so Frances Mary Chan's behaviour in defrauding these people of their assets is examined with a view to her possible criminal conviction, along with any possible accomplice. The number of cases prevents me detailing them in the short time available in a grievance debate. I am happy, with the help of the solicitors acting for these people, to provide the information to the Minister.

MR WIESE (Wagin - Minister for Police) [5.02 pm]: It is unfortunate that the detail on this matter was given to me only a half-hour ago, when the file which the member arranged to be presented to somebody was finally given to me. Therefore, I have had not had a lot of opportunity to look into the matter. I have contacted the Police Service fraud squad, and the officers were unable to provide me with up-to-date information in the half-hour available.

To bring the member up to date, this matter was brought to my attention and that of the Minister for Fair Trading by the current Deputy Leader of the Opposition at the end of April and early May of this year. I immediately referred the matter to the Police Service fraud squad. I responded to the Deputy Leader of the Opposition on 6 June as follows -

The Commissioner of Police has advised me that a complaint regarding the actions of Ms Chan was received at the Fraud Squad on 8 May and following preliminary examination possible areas of criminality have been

identified. As such, arrangements have been made for Mr Lashansky, Solicitor, to meet with the Fraud Squad Complaints Officer to ensure all allegation are received, after which time the appropriate course of investigation will be determined.

As I understand it, that course of action is now under way. It is unfortunate that I did not have more time to follow up this matter as I may have been able to give some indication of where those investigations are up to.

Mr Catania: Are you saying that the investigation is continuing?

Mr WIESE: My understanding is that the investigation is continuing or underway. That is the only correspondence I have on the matter, and it was prepared in June; I hope that progress has been made in the four months since.

Mr Catania: Can we get an undertaking to receive an update?

Mr WIESE: I will endeavour to obtain further information on how the matter has progressed, and I will pass it on privately to the member, not through the House. It was clearly indicated that the Police Service fraud squad would look at the information to determine the course of investigation to take. They need to look at the matter and see whether criminality is involved. Initial indications were that criminality may have been involved. The squad needed to follow through that matter. If there has been criminality, I hope that the service can proceed the matter and bring this person to justice.

Mr Catania: The concern is that no progress has been made.

Mr WIESE: I am not able to indicate whether progress has been made as I had only a half-hour to ascertain the situation. Progress may have been made - I do not know. I will follow the matter up for the member.

The now Deputy Leader of the Opposition indicated in his letter to me that Ms Chan may have had access to other assets not disclosed to the trustee in bankruptcy. I replied that that was not a police matter; it fell within commonwealth jurisdiction. I suggested that the Deputy Leader of the Opposition contact the director of bankruptcy, insolvency and trustee services in Perth. I am not sure whether the Deputy Leader of the Opposition did so. I hope and guess that that has been done, but I am not in a position to indicate the stage it has reached.

Mr Catania: We are not concerned so much with that as -

Mr WIESE: The member should be concerned about that because if the allegation is correct, it would ensure that she cannot continue to practice. From what the member has said, she is still practising.

Mr Catania: She should not be able to continue to practice by virtue of her actions.

Mr WIESE: I agree that it should be by virtue of all of her actions if the allegations can be sustained. The matter has been referred to the police, who have accepted that further investigation is needed. There has been an increase in the number of officers and the skills available with accountants and lawyers in the fraud squad; therefore, we are in a better position to carry the investigation than we were 18 months to two years ago. I hope the matter has progressed, and I will ascertain whether that is the case. I will let the member know what progress has been made and what further action is contemplated.

GRIEVANCE - GERALDTON POLICE AND CITIZENS YOUTH CLUB FACILITIES

MR BLOFFWITCH (Geraldton) [5.07 pm]: My grievance is to the Minister for Agriculture. It is unfortunate that the grievance is directed to him because it relates to a position in which the Geraldton Police and Citizens Youth Club has been placed through no fault of his.

The Geraldton Police and Citizens Youth Club operates on the corner of Marine Terrace and Fitzgerald Street in Geraldton on quite a nice property overlooking the ocean. This happens to be adjacent to Agriculture Western Australia which has acquired funding to build a new building and desires to take over the PCYC. This club is similar to most other such facilities - it is very neglected and rundown. I am critical of government in that no money is directed to the PCYCs, yet children who normally cause trouble join the boxing troupes and are put on the right path. It amazes me that we provide no resources for the PCYCs.

As the trustee of the Geraldton PCYC, I know that it operates on absolutely no money. Apart from corporate sponsorship of a couple of hundred dollars, or someone like me paying for a fence to be built, very little money is received. Members may ask why the club committee does not earn money. The committee raises money to send the children to Melbourne on boxing trips, or to send the gymnasts to Perth for a weekend. However, the PCYC committee has problems raising enough money to enable its members to overcome the tyranny of distance and travel from Geraldton to any worthwhile competition. In moving from the point of my grievance, I indicate how important this club is to the community.

Agriculture Western Australia has offered around half a million dollars to take over the PCYC building, but it will cost between \$1m and \$1.1m for the PCYC to build a new building and set up a new shop. I cannot in all honesty blame the Minister for Agriculture for not coming up with \$1.1m. Such things happen a lot when dealing with government. The State Government spent \$12m or \$13m on the Geraldton marina, but the city council had to produce \$2m. The Government could not provide the necessary \$2m. Our local council has become broke in the past four years just funding extraordinary expenditure for work that has been carried out. The same thing is happening here. These people want to move in, and they are prepared to pay \$500 000, but where will we get the other \$500 000 to duplicate the building on another site? Unless the Government comes to their assistance - whether it be the Ministry of Sport and Recreation or the Lotteries Commission - nothing will happen. That will mean that Agriculture Western Australia will not be able to proceed with its expansion plans which are very important because the mid-west is a major producer of wheat. Research and development on lupins and other crops need strong and viable support.

The alternative for Agriculture Western Australia is to move to the back of Greenough where it has some land. However, to rebuild instead of adding to an existing building would impose an excessive cost. If I worked for that department I would prefer to have an ocean view close to town, rather than work in the back blocks of Waggrakine. Therefore, I can understand why people are very keen to obtain that site. The problem is what do we do for the Police and Citizens Youth Club which has no resources or money, when at the same time we want to see Agriculture Western Australia expand? We do not want to see the PCYC shut down, because it plays a very useful role in our society. It does a great job.

I highlight these problems and ask what can be done by government departments to assist. How can we overcome the problem but at the same time support the PCYC in its attempts to move to better facilities? Perhaps we should start considering what we will do with the existing PCYCs. As I travel around the State I note that their accommodation is dilapidated. We cannot expect the Police Department to continually provide funds. I suggest that the Ministry of Sport and Recreation or the Minister for Youth consider the whole situation and arrive at some kind of funding arrangement. Considering the current rate of juvenile delinquency and crime it would be a positive step to encourage such organisations to continue to participate in the community. I look forward to the Minister's response.

MR HOUSE (Stirling - Minister for Primary Industry) [5.14 pm]: I agree with the member for Geraldton that we need to do two things about the current situation in Geraldton: First, we need to provide a proper home for the Police and Citizens Youth Club because it plays a very important role in Geraldton where many young people take advantage of that facility. Secondly, we need a very strong Agriculture Western Australia presence in the town because it is a very important region for agricultural production. The member for Geraldton and I share the same view. How do we accomplish this and how do we obtain the best facilities for both organisations? Without question, the Agriculture Western Australia building is not good enough for the number of staff we want in the region. The accommodation in the building is not adequate, the general facilities are not up to standard and we want to improve them. In addition, since I became Minister, we have embarked on a strong regionalisation program which means we are putting more Agriculture Western Australia staff into regional areas; therefore we need to upgrade the building.

In the Agriculture Western Australia budget this year we made provision for a new building in Geraldton. After some investigation with the local community, we decided the best arrangement would be to rebuild on the existing site. However, to do that we needed more land, and that is when we began negotiations with the PCYC. We could shift the facility to Airport Road where we own some land but that would take the main building and all the staff out of the centre of town. In other places, such as Esperance, when we moved Agriculture Western Australia staff out of town they did not have as much contact with the local farmers as previously, therefore, the department's visual presence was not as good. In Albany, we built the new office more towards the central business district, and have established a much stronger visual presence. It is very important to locate the building on the correct site to obtain maximum use, and to allow our officers maximum access to their client base in the region.

There is no easy solution to the problem. We have tried on a number of occasions to bring various people together to broker a position. As the member for Geraldton said, we are short of about \$500 000 - the Valuer General has valued the PCYC land at about \$500 000. Although the member for Geraldton did not make this point, it is fair to say that any PCYC building must be situated in the right area, just as an Agriculture Western Australia building needs to be in the right area. A PCYC building situated in the correct position in Geraldton will be used more than the current facility. To overcome the problem it will be necessary to negotiate with other departments. We will need to discuss the issue with the Ministry of Sport and Recreation and the Lotteries Commission.

I am becoming concerned about the time frame, because we need to make a decision. I am sure that the member for Geraldton will agree, because funding unused by the end of a financial year disappears; therefore, we will miss out on a very necessary facility. However, we may be able to get two good facilities - a new Agriculture Western

Australia building in the right place and a new PCYC building in the right place - which will benefit the entire community. It will need a great effort by the Government. I agree with the member about that. I can assure the member that he will receive all the necessary cooperation and support from me and my department. I will have further discussions as a result of this debate. I will discuss the matter with my staff as quickly as possible and I hope that, as a consequence, we can come up with a solution that is acceptable to everyone.

The ACTING SPEAKER (Dr Hames): Grievances noted.

MOTION - SMALL BUSINESS, GOVERNMENT SUPPORT

DR GALLOP (Victoria Park - Leader of the Opposition) [5.19 pm]: I move -

That this House congratulates Western Australia's small businesses on their struggle to succeed despite serious obstacles including -

- (a) high levels of state taxation;
- (b) a disturbing number of bankruptcies;
- (c) a four year low in business confidence;
- (d) work from state government contracts and resources projects going overseas and to interstate companies;
- (e) faltering consumer demand,

and calls on the State Government to provide appropriate support to the small business sector.

An extraordinary situation exists in the contemporary Western Australian economy. It will have an interesting impact on the way politics develops in the State and it requires us as parliamentarians to reflect on it, particularly if this State is to achieve balanced economic growth that is shared by all citizens rather than just some. That extraordinary situation to which I refer is that currently a resources boom is occurring in Western Australia. The State has significant economic growth; however, as a headline in *The West Australian* today states, "Growth benefits fail to materialise."

Mr Lewis: You're quoting *The West Australian* again.

Dr GALLOP: No, I am relying on it just for the headline. This situation in which there is significant investment in the resources sector and significant economic growth must be put into the context of where that growth is going and how it is impacting on the rest of our community.

Mr Cowan: Knowing your capacity for research and detail, I assume that you either researched that or got the greater detail behind it?

Dr GALLOP: I did indeed. I got the document about half an hour ago.

Mr Cowan: I suggest that you have a close look at that, because it has a tendency to discount it.

Dr GALLOP: No, it points to the same patchiness referred to in the article. The problem with the Deputy Premier and his Government is that because they are not responding to the patchiness of economic growth, they find themselves in political difficulty. That is the mistake the Government is making on these issues.

The State had economic growth of about 6.3 per cent in 1995-96. Real business investment is increasing. However, as the headline says, the growth benefits are failing to materialise throughout the community. It is interesting to note that unemployment rates have risen by 0.5 per cent to be 7.8 per cent currently. It is a worrying trend in our State's economy that unemployment has increased, despite the resource investment boom and despite the significant economic growth in this State. As members on this side of the House point out, the Government's Treasury forecasts indicate that over the rest of this decade insignificant changes will be made to the rate of unemployment in Western Australia. It is this inability on the part of the Government to see the multifaceted nature of the economy and the patchiness of the economic development that is occurring in it that is causing the Government great difficulty.

Mr C.J. Barnett: How would you see that if you were to net out, quite objectively, interstate migration, or you were to standardise the participation rate? You would see unemployment in this State go right down.

Dr GALLOP: Those factors can always be netted out. I will now turn to long term joblessness, which is increasing sharply throughout Australia. Figures indicate that in September, 24 500 people were long term unemployed in Western Australia. In August 1995 the figure for that was 19 800 and in September 1995 it was 22 500. The trend

is upwards. We are talking about the long term unemployed - those who have been out of work for at least a year. Australia-wide 239 800 people are long term unemployed. The prediction is that it will get worse.

There is the first paradox: There is a high rate of growth in Western Australia; the rate of unemployment is growing and the rate of long term unemployment is growing. These sorts of factors must be taken into account when considering the small business sector. It is to that sector that I now turn.

The small business sector in Western Australia is very depressed. Any member of Parliament who goes to his or her local shopping centre, whether the traditional strip shopping centre or the more recent large scale shopping centre, will find that all shop owners say that they are experiencing great difficulties. Shops are at their quietest since 1991 and retail turnover growth decelerated sharply in the first half of 1996. It fell by 6.3 per cent in June. This is causing enormous difficulty for small businesses throughout the community. New car sales are very slow, motor vehicle registration declined in July and August, and the number of new homes being built is less than at any time for more than 10 years. Residential building approvals continue to decline as oversupply from the 1993-94 boom continues to unwind. There is a high rate of economic growth, continuing high rates of unemployment and, tragically, an increase in the rate of the long term unemployed in our community. At the same time the small business sector is extremely depressed. It is finding it difficult to cope with the economic circumstances that the trade situation raises. I will turn to the issue of uncertainty later.

What is the Government's response to this situation that Western Australia faces? I add to that that bankruptcies in Western Australia are up by 16 per cent. In 1994-95 they were 1 523 and in 1995-96 the figure is 1 766. Small businesses would amount to 25 per cent of those.

Mr Cowan: Will you give me your source for that information? I have information that is contrary to that.

Dr GALLOP: They are Australian Bureau of Statistics figures. I was given those figures by our researchers.

What is the response of the Government of Western Australia to this situation? Its response is to tell the people that they have never had it so good; that the situation in Western Australia has never been so good. From the Opposition's point of view we will let the Premier, the Deputy Premier, and the Minister for Resources Development keep telling the people that they have never had it so good, because the more they tell them that, the more aggravated and annoyed people become. They know the reality of the situation that confronts them is not as the Government describes it.

The response of the small business sector is interesting to note. The small business sector plays a significant role in Western Australia's economy. I will remind members of that significance. Ninety-six per cent of all businesses in Western Australia are small or medium size and they employ about one-half of the private sector work force, or about 268 000 people. In the retail sector, small business comprises about 46 per cent of industry gross product and 38 per cent of all sales.

We all know that Western Australia's economy is different in important respects from the other state economies. One difference is the significant role that small business has always played in our economic development. The first consequence is that the normal trade cycle can impact very severely on economic activity in Western Australia. Secondly, it means that when governments have to promote training initiatives and broadly based initiatives, it is crucially important that the small business sector be involved with that if it is to translate into real results in the economy. Therefore, we have a significant small business sector that has been experiencing great difficulty in recent times. The Government's attitude is to say that small business has never had it so good; that everything is okay; that it has massive investment in the resources sector and high rates of economic growth; that it is doing all right and therefore the small business sector must be doing all right. That is the Government's blind spot. When the Government talks about the Western Australian economy, it is really talking about one part of the Western Australian economy; when the Government talks about the successes of the Western Australian people, it is talking about the success of some people. Its failure to have a broadly based view of our economic development is causing enormous difficulty, because it means that the policies and the strategies are not in place to allow the obvious advantages that we have in the resources sector to translate into broadly based prosperity for our people.

The attitude of small business to the situation that it faces is to get on with the business of trying to create wealth and employment for Western Australians. A study by the Curtin University business school is very interesting. It studied 120 Western Australian small businesses to find out the extent to which their perceptions of the future were matched by the reality. That reality related to sales and profitability. The study began in January 1995 and is updated quarterly. It measures owners' projected results against actual business results in key areas, such as profitability, sales and wages costs. It is interesting to note that in the wages area, the expectations of the small business sector were realised, generally speaking; their expectations about what would happen to wages were realised according to plan. However, sales and profitability continually underperformed in relation to the expectations they had in the past 18 months. The degree of underperformance compared with expectation was significant. The article states -

For the second quarter of 1996, businesses expected sales up to 40% higher than the previous year; the reality is sales have barely nudged +5% over that period. Profits are similar with actuals coming in at about +3% over the year compared with predictions of around +25%.

According to Curtin Business School's Small Business Unit, which carries out this keynote survey, small business owners appear still to be getting to grips with the current low inflationary cycle.

In other words, it is still locked into the perception of economic development that occurs when prices rise and the benefits flow through to it from the activity. However, that is not happening in this low inflation economy. It would be interesting to factor into the survey the degree to which the Premier's continuing talk about one aspect of the economy as if it is the only aspect of the economy that influences the expectations that small businesses have. It is most important, as this university study says, that business units "be realistic in their financial assessments for the year ahead" and "a more pragmatic approach to business forecasts would help ensure an adequate cash flow and provide a more accurate picture of future funding needs". The small business sector is still trying to bring about improvements in its conditions even in the situation it faces.

This leads me to the problems that are facing the small business sector. The Opposition argues that two sets of problems face the small business sector in Western Australia today, both of which are capable of being influenced by the actions of the Government and the Parliament. The first set of obstacles at which we should look is the current tax regime in Western Australia and how that tax regime is applied. I will talk about that as it relates to land tax. We also need to look at the power of small business and its ability to progress in what is a very competitive world when it lines up against some of the major multinationals and big businesses throughout Australia. It is interesting to look at whether the current competition that exists between those two sectors is on a level playing field. We often talk about level playing fields. We regard them as an important principle that we support. However, it is interesting that we apply that principle only when we talk about the role of Government vis-a-vis the private sector. It is also important to talk about the level playing field in relation to big business versus small business.

Mr Bloffwitch: That is almost impossible.

Dr GALLOP: I think we should look at it. It is an important issue.

Mr Shave: Small business employs one person for every 50 square metres of floor space. The multinationals employ one person for every 200 square metres.

Dr GALLOP: That is an interesting illustration. The nature of the employment may vary between the two also. For a couple of reasons we should have a sensible debate about the relative power of small business and big business. We now accept the principle throughout Australia that we should have vigorous antimonopolistic policies. The new Australian Competition and Consumer Commission should have the power to guarantee proper competition throughout the community. The greater the concentration of ownership in our economy, the more difficult it will be to ensure there is healthy competition. The first reason we need to look at the interests of small business vis-a-vis big business is to make sure that we have a properly competitive economy. We can move through the normal processes of the market and have too much concentration and then it becomes almost impossible to bring about the degree of competition we need.

The second area in which we need to focus on small business is the role it plays in our community. The small business sector plays a crucial role in offering people the opportunity to take ideas and creativity into the marketplace and try them out. One of the strengths of exports in the past decade in Australia, and particularly in Western Australia, has been the degree to which some of our small businesses have been able to apply creative ideas and take them into the export market. The difficulty arises when small businesses want to expand. This is the key period of development. If an economy could find the proper mix of policies and the proper environment to allow small businesses to expand at that crucial period, we would realise much more economic growth than we do currently. As many small businesses start to progress and are about to achieve their potential, various obstacles come their way, usually relating to provision of capital, and they cannot go on to the next step of becoming significant medium-size businesses exporting throughout South East Asia.

There are two reasons why we regard small business as important. First, we must preserve a level playing field so that we have a properly competitive economy, as it is important for the overall economic good. Secondly, we need the small business sector to thrive and prosper because of the opportunities it offers people and because it is part and parcel of a healthy economy and society. Let us go to those two areas and look at each in turn.

First, I shall look at the whole question of government and government policies as they relate to taxation. Let us remind ourselves of the situation which small business is currently facing, which is depressed economic activity, declining retail sales and an intensely competitive economic environment. We find in recent days that the Government's application of its land tax policies is having a very severe impact on the small business sector. This

situation has arisen before; indeed, it arose when the Labor Party was in government in the early 1990s. We sat down with small businessmen and worked out a method by which we could ease some of the valuation changes. To give one example, the newly developing area of King Street in the City of Perth has become quite a popular area, not just for entertainment and shopping but also for residential development. We have seen that massive changes in the valuation of properties in that area have brought significant increases in land tax bills. One hotel proprietor was reported in *The West Australian* this week as saying that her liability rose from \$17 900 to \$30 900 in only one hit. Most businesses base their budgets on what has occurred in previous years. When they are hit with such significant increases, it makes it very difficult for them to operate effectively.

I will add to the argument about land tax by referring to some work I have been doing in my electorate of Victoria Park in consultation with the small business sector there. When this land tax issue emerged last year and this year, I conducted a survey of the small business sector in my electorate. I asked how people's land tax bills had changed from 1994-95 to 1995-96. Of course, tough times have been experienced by many of the businesses in the Albany Highway shopping strip. I will read a letter from one of the shop owners to give some indication of how flat trade is in that area.

Recently the Labor opposition has been up to Wanneroo and Midland where similar stories are told. Right throughout the metropolitan area the flatness and depression in the trade of the small business sector is obvious. This shop owner was looking at the commercial tenancy. He raised the issue that he entered into a lease on a certain basis and the conditions changed. His view was that there must be some allowance for that in his lease. I will not talk about the lease issue but I will illustrate what happened to this businessman when he took on that lease. When the lease for the shop was signed in August 1993 the complex had a 100 per cent occupancy. Since then shops in the National Arcade have been reduced by four. The dress shop closed in 1994, over two years ago; the candy shop closed in April 1995; the Danceland shop closed in January 1996; and the card shop closed in February 1996. None of those shops has been relet and the end result is that the situation today bears no resemblance to that which existed in 1993. The through traffic and consequently the turnover have decreased. The circumstances that applied when he entered the lease no longer apply but he was subject to the same lease conditions.

My colleague has been raising the matter of the lease in this Parliament. We hope to bring to a vote his amendments to the Commercial Tenancy (Retail Shops) Agreements Act. That is a good illustration of what is happening in some of our shopping centres. I know the centre very well. The fact that four shops have closed and through traffic has been reduced have had a devastating impact. Since that businessman wrote that letter other shops have closed. This is the reality that faces shopkeepers in Victoria Park. Members must remember that we have depressed retail trade throughout our community.

Let us look at some of the responses I received. I will compare the land tax bills of 1994-95 with those for 1995-96. One land tax bill went from \$2 022 to \$2 412, a 19 per cent increase; another increased from \$1 703 to \$2 147, a 26 per cent increase; and another increased from \$4 017 to \$4 360, an 8.5 per cent increase. The next did not have figures but indicated a 9.3 per cent increase. The next land tax bill increased from \$1 370 to \$1 727, a 25 per cent increase. A smaller business's land tax increased from \$662 to \$700, a 17.7 per cent increase. One increased from \$1 419 to \$2 143, a 51 per cent increase. Other increases went from 15 to 20 per cent.

There is an interesting case study of land tax last year. We are talking about small businesses whose opportunities to expand and develop have been significantly restricted by the depressed economic activities and then along come land tax bills with increases ranging from 8 per cent to 50 per cent. For those people the decisions of the Government are very important and impact dramatically on their abilities to develop small businesses.

What is happening this year? As yet, I have not conducted the same survey, but already some of the small business owners who know I am interested in these topics have been calling me. One sent me the land tax bill for this year. The increase for this Victoria Park business was 25 per cent, and this year it has gone up 23.5 per cent, although its business has decreased. The general depression in economic activity that has affected many businesses has affected this small business.

The response from the Minister responsible for taxation matters - the Minister for Finance - is that they must pay the increase. No attempt has been made to work out a strategy for these businesses to overcome this problem. When members of the Opposition were in Government, we sat down with these businesses and worked out a strategy so that the valuation increases would not have such a dramatic impact on their viability. That is the approach that should be adopted. The Opposition is looking at ways and means by which we can improve the situation. This is a very interesting case study of a dramatic increase in land tax last year and another this year.

Mr Cowan: Can you expand on that, because the information I have is that the rate of land tax has not changed?

Dr GALLOP: No, it is the valuations.

Mr Cowan: How did you provide alleviation?

Dr GALLOP: As I recall, we phased in the valuations over three years. I may be mistaken, but I am sure that was the procedure we adopted.

Mr Cowan: But there was still an increasing rate of land tax paid?

Dr GALLOP: The problem facing small businesses is the sudden and dramatic increases as a result of valuation increases.

Mr Cowan: I know all that. I wanted you to acknowledge -

Dr GALLOP: I have never denied it.

Mr Cowan: - that under your regime there was a constant increase in the rate of land tax. I will explain why later.

Several members interjected.

Dr GALLOP: I was simply illustrating the contrast between the Labor Government's response to a problem that existed in the early 1990s with the Minister for Finance's response. He is losing the Government votes every day of the week. When small businesses go to the Minister for Finance, he simply says, "Off you go. They are the increases and you must cop them." He makes no effort to consider the issue and come up with a solution. I am sure the Deputy Premier, as Minister for Small Business, is concerned about that attitude. Members opposite should make no mistake: Small businesses are hurting and they believe the Government, which promised so much before the last election, should start delivering on its promises. That is the first issue confronting many small businesses.

The second issue confronting them is the relationship between big business and small business. Unfortunately, the member for Balcatta's legislation, which is designed to provide a level playing field between property owners and tenants in large shopping centres, will not be voted on this evening. That is a great pity. The Opposition wants to bring that question to a vote. We want to see where members of this Parliament stand on the legislation we have put forward, which will introduce some fairness and decency into the relationship between small business and big business in our community. Unfortunately, the Minister for Fair Trading cannot be with us today to respond, but we will record how every member of this Parliament votes and will hold all members to account in relation to that important issue.

Many small businesses are experiencing exploitation in large shopping centres. That exploitation was illustrated extremely well in this Parliament only a few weeks ago when the member for Balcatta gave his second reading speech. In the case study that he presented to the Parliament, tenants were being charged for various items including: Repairs and maintenance of the lease premises not associated with the centre; expenses incurred by the landlord and agent and passed on to the lessee through variable outgoings as well as items not related to the owners of the centre; lawn mowing and reticulation costs not in the lease agreement; superannuation for employees and owners; mobile telephones used by the owners or agents; workers' compensation; wages items never used; the cost of registration of business names for the owners; capital costs; accounts not relevant or related to the centre; and for very significant advertising budgets and promotions that never occurred. Perhaps that was an extreme case study, but if members were to visit large shopping centres throughout Western Australia and speak to tenants, they would be told that the Commercial Tenancy (Retail Shops) Agreements Amendment Bill is not simply a question of interest; it is a necessity. We are disappointed that we will not vote on this legislation tonight, but we will be looking to vote on it before the parliamentary session closes. This Parliament can have an impact on the ability of small business to operate, without its being exploited by property owners.

I will address two other issues facing small business in Western Australia today: First, of course, the uncertainties that exist in respect of retail trading hours; and, secondly, the continuing growth in unemployment. The Government must come to grips with the fact that the policies it is pursuing in the public sector are damaging the performance of our State's economy. Since the Government was elected in February 1993, 10 400 public sector workers have lost their jobs. In the last week of September, the Transport Minister admitted that Main Roads Western Australia will scrap another 600 jobs if the coalition wins the next election, and another 2 000 school cleaners and gardeners are likely to get the chop, as will the remaining Transperth bus drivers.

Mr C.J. Barnett: What is the source of that information?

Dr GALLOP: We expect the Government to continue to pursue its policies, true to form.

Mr C.J. Barnett: That is something the Labor Party has invented.

Dr GALLOP: Does the Minister believe in contracting out school cleaning? Of course he does - it is government policy. Why should we not extrapolate that?

Mr C.J. Barnett: Why should you?

Dr GALLOP: It is government policy.

Mr C.J. Barnett interjected.

Dr GALLOP: Will the Minister guarantee that every school cleaner employed in the Education Department will still be in employment after the next election?

Mr C.J. Barnett interjected.

Dr GALLOP: It is a very simple question that the Minister will not answer.

Mr C.J. Barnett interjected.

Dr GALLOP: It is an extrapolation of what the Government has been doing; it is government policy. It is outlined in the McCarrey report and all the statements put out by the Government.

Mr C.J. Barnett: The McCarrey report is not education policy in this State.

Dr GALLOP: That is very interesting.

Mr Thomas: Does that mean it was a waste of money?

Mr C.J. Barnett: It is not policy.

Sitting suspended from 6.00 to 7.30 pm

Dr GALLOP: Before the dinner suspension I was talking about the problems being faced by the small business sector. It has been depressed for some time. The general scenario for small business is different from that for the resources sector. This contrast lies behind the difficulties we have in developing a balanced economy in Western Australia. Despite the difficulties being faced by the small business sector, it is trying to make the best of the situation, but the Government does not seem to be interested in listening to its concerns.

On one side we have seen a very rigid application of the land tax formula. When the valuations go up, they are immediately applied to the land tax bill of small businesses. I have produced examples to indicate that this is having a severe impact on the small business sector this year, given the context of depressed demand. On the other side many small businesses face a tenancy situation that is most unfair from their point of view. The commercial tenancy Act is simply not adequate from the point of view of their needs, their interests and their rights. We on this side of the House are very keen to debate and vote on the amendments to this legislation that have been moved by my colleague the member for Balcatta. This is a difficult situation for the small business sector, with no sympathy being given to it by the Government. It is exacerbated by the problems faced by tenants in large shopping centres.

Unfortunately when we look down the track towards the end of this decade and into the next century, we are not capable of saying that the problems we have now will be solved. I paint this scenario: The uncertainty that is feeding into our economy and leading to many of the problems facing small business does not seem to have any solution.

Let us look at some factors that will influence the demand and, therefore, the ability for small business to prosper. The first is employment and unemployment. We need to mention both because if people are employed, there may be an expectation that they will become unemployed and, thus, their confidence to spend, and to borrow, money will be reduced. Looking down the track for the next two or three years, we see absolutely no sign that the rate of unemployment will go down. The State Government's budget papers show that the rate of unemployment will reduce by only a very small margin by the end of this decade.

Since those predictions were brought down, we have already seen projected changes from the commonwealth level. Advice given to a commonwealth parliamentary committee indicates that a further 80 000 public service jobs will go by the year 2000. That will mean about 8 000 jobs in Western Australia will go from the commonwealth Public Service. In Western Australia we have seen 10 400 workers thrown out of their public service positions since the election of the state coalition Government in February 1993. With the contracting out policies projected into the future, more jobs will be lost in the transport, health and education areas.

I ask this very simple question: How will we reduce unemployment in Western Australia while these policies continue? The fact of the matter is that there is not a simple transfer of jobs from the public sector to the private sector; there is a loss of jobs from our economy as a result of these changes. That is indicated by the increasing level of long term unemployed in our State.

As we look down the track, we see an increase in the number of people employed on a short term basis. The number of short term contract positions has grown. That has been associated with the reduction in the number of public sector workers directly employed by the Government. What does an increase in the number of people in short term contracts mean? It means there is more uncertainty. The ability of those people to project into the future, to save and to plan is dramatically reduced. It means their ability to borrow money from banks is reduced and the desirability of the banks to have them as borrowers is reduced.

A situation is developing in our society where short termism - if I can use that expression - is making it extremely difficult for people to project into the future. With the increasing rates of unemployment added to that equation, the temptation for people is simply not to spend, not to project outwards and to take up the opportunities offered.

Mr Board: You will be aware of this publication, because you have quoted these September figures. You keep saying the unemployment rate is rising.

Dr GALLOP: It is.

Mr Board: It says that the unemployment rate in Western Australia fell by 7.3 per cent.

Dr GALLOP: I refer the member to the latest BankWest review of the Western Australian economy. It indicates that the unemployment rate has drifted up since the middle of 1995, but remains lower than that in the other States - and that is true. It says that it has gone up to 7.8 per cent. I can assure the member that the rate of unemployment in Western Australia is not improving. I do not know about the figure the member is quoting; however, evidence in the latest figures brought out by the Australian Bureau of Statistics showed a slight drift upwards in the unemployment rate in Western Australia.

I can tell the member that the Treasury's figures, projected to the end of the century, show only a very minor reduction in the rate of unemployment in Western Australia. Given the policies that are being pursued by the Federal Government and the continuation of contracting-out policies, there does not seem to be much chance that those unemployment rates will come down.

This Government and its federal colleagues do not seem to understand that those factors impact on small business. The development of workplace contracts in our society with a short term basis for employment impacts on small business. This is the problem faced by the Government when addressing issues like this. It has a blind spot in respect of workers, the environment, the small business sector, and some of the new industries that we can develop in this State. Because of that, we do not have balanced economic development in Western Australia today.

If the Government had not pursued some of the policies that it has pursued since it won government, the situation facing the small business sector would have been better than it is currently. The Opposition certainly argues that the policy of this Government to radically deregulate the labour market is not encouraging consumer demand and consumer confidence, and is undermining the small business sector in this State. The Government finds it difficult to understand that element of the equation because of its biased view of the world in which we live.

Another issue that is causing enormous anxiety in the small business sector is the lack of clarity from the Government about its intentions with regard to trading hours in Western Australia. The Opposition is absolutely clear on this question. Should a Labor Government be elected, there will be no further deregulation of trading hours in Western Australia.

Mr Strickland: That is my stance, too.

Dr GALLOP: I am pleased to hear it. Is it the Government's position that there will be no further deregulation of trading hours if the coalition parties are re-elected? That is an easy question, for which there should be an easy answer. It may be that members of the government backbench - like the member for Scarborough - who consult from time to time with the small business sector, tell it that they are opposed to the further deregulation of trading hours, but that message does not appear to have got through to it from the Premier and the Minister for Fair Trading. The small business sector is not being told in clear terms by the Government that it is opposed to the further deregulation of trading hours. That is certainly what we are telling the small business sector, and we will go into this election campaign with a clear policy on that issue.

That issue is important, because small businesses need to plan, like anyone else. One of the great biases that exists on the government side is that the Premier is always talking about the risks that are faced by people who invest in Western Australia because of the actions that may be taken by unions or because of decisions that the Parliament may make from time to time with regard to overseas investment. However, the Premier never talks about the risks that he is imposing upon individuals in this State by his contracting out policy. That policy is impacting upon the lives of ordinary working people, because their contracts of employment are for a limited time and, therefore, they do not have a secure income flow and cannot obtain a housing loan from a bank. In recent years while I have been shadow

Minister for Health, many nurses have come to my office to complain that they cannot get a loan from a bank and invest in housing because the banks do not regard their contract of employment as being of sufficient length to justify that loan.

It is about time the Premier applied the concepts of risk and sovereign risk to the ordinary people of this State as well as to those who invest in this State from overseas. The more the Premier of this State insults the people of this society by always lecturing them, their trade unions and their representatives in the Parliament when they take action to protect the interests of working people or the interests of the broad community, the more a shock wave is sent through the minds of ordinary people that increasingly every day they are subject to risk. That is very difficult for them to bear as family units in this State. It is about time the Premier and the Government took a much broader view of this problem in our community, because there is no doubt that as our society and workplace agreements are currently organised, it is becoming increasingly impossible for families to project into the future with the knowledge and certainty that they will be in a position to build a new home or plan for their children's education. The inability of the Government to recognise those obvious and simple facts is leading to cynicism in the community about the political process.

The risk argument can be applied to the small businesses in our community. They want to know in no uncertain terms from the Government whether there will be a further deregulation of trading hours, because such a deregulation will have a severe impact upon their future. They have already seen the impact of the degree of deregulation that we have had already. It is not good enough for the Government to say that it is looking into the subject. It is not good enough for backbench members to say that they are against further deregulation. We need to have a clear statement from the Government that there will be no further deregulation; and if there is to be a further deregulation of trading hours, the Government should tell us to what extent, under what conditions, and to whom it will apply.

The Opposition's view of small business is very positive. It is our view that small business has great potential to develop in Western Australia. The way that government policy is being applied to small business currently is not allowing it to develop. The way that land tax is being applied to small business is a clear indication of that fact. We have a very depressed small business sector, yet at the same time in some areas land valuations have increased and, as a result, there have been significant increases in the land tax bill in the last couple of years. That imposition on those businesses in such a short time, for which they cannot plan, is causing them great difficulty. When they approached the Minister for Finance about this subject, he was not interested; he just said, "You have to pay the tax, and that is the end of it".

In respect of commercial tenancies, which are geared strongly against the interests of small business, the Labor legislation was introduced into this Parliament twice, but it was rejected by the Government on the first occasion, and on the second occasion the Government said it was not in a position to vote on it. The message that this Government is sending out to the small business sector is, "We are not interested in you. We take you for granted. You have traditionally voted for us; therefore, we can rely upon you to vote for us again". The Government needs to understand that the political landscape today in respect of these issues is much more volatile than it has ever been in the past. Small business is certainly looking for answers to the questions that it is posing.

Mr Johnson: It will not get them from you lot.

Dr GALLOP: Answer No 1 is that we will not further deregulate trading hours in Western Australia.

Mr Johnson: We will not either.

Dr GALLOP: Who is we? Has the Premier given the member for Whitford that commitment?

Mr Johnson: He does not have to. There are no plans for further deregulation.

Dr GALLOP: The member for Whitford is easy. He does not even require the Premier to give him a commitment about it. The Labor Party's clear position is that there will be no further deregulation of trading hours; there will be support for the member for Balcatta's commercial tenancies legislation; and a different approach will be taken to the application of land tax in this State. The Opposition's position is clear, and it is well received by the small business sector. I believe it can give them confidence. What we are looking for from the Government is a similar statement of confidence and support for small business in its daily struggle to function and make a profit, and to cope with the current inadequacy of commercial tenancies legislation in this State. I look forward to support for this motion from all members of this Chamber.

MR CATANIA (Balcatta) [7.50 pm]: On many occasions in this Chamber I have heard the Deputy Premier and members of the Government state that they know what small business is all about and they know what small businesses want. Only tonight the member for Whitford stated that small business owners will not get support from the Labor Party and they will not have confidence in people on this side of the House.

Mr Johnson: I have heard it from small business people.

Mr CATANIA: I wonder how the proprietors of small businesses in King Street feel when confronted with their increased land taxes. How would they react to the Government's claim that it has a monopoly on their votes and it cares about their wellbeing?

Mr Johnson: We are not saying we have a monopoly.

Mr CATANIA: That is what the member said. Members opposite take it for granted that small business owners will vote for the Liberal Party. However, I wonder what the tenants in King Street, whose land tax jumped from \$17 000 to \$30 000, think about that. A restaurateur in Northbridge, which is the premier entertainment district in the Perth metropolitan area, advised me that his land tax has increased from \$5 000 to \$7 500. I have also been contacted by a frugal self-funded retiree, who diligently saved to buy an additional property, and whose land tax on that property increased from \$750 to \$1 025. Members opposite claim that they are aware of the needs of small business, but when those business people are confronted with huge increases in land tax - some up to 200 per cent - I wonder whether they will believe anything the Government says. They know what benefits should be delivered by a conservative Government, which is constantly claiming that the small business sector supports it and that it has a monopoly on the votes from that sector. It was reported in *The West Australian* that -

City Hotel proprietor Judy McEvoy said her taxes had jumped from \$17,900 to \$30,900.

Mr Pandal: It was even worse in her case because she was willing to put in a big sum to get heritage listing on that property.

Mr CATANIA: She has paid the price for wanting to improve the property. The following day it was reported in the newspaper that -

Small businesses which spend big amounts -

It was probably referring to Judy McEvoy. It continues -

upgrading their premises are facing a double financial burden because of State land tax policies.

That statement is attributed to the Minister for Finance. The article continues -

Small Business Development Corporation managing director George Etrelezis said Fair Trading Minister Cheryl Edwardes was considering a review of the Commercial Tenancy Retail Shops Agreement Act.

He suggested one resolution would be to make owners responsible for paying land tax bills.

I wonder whether the Minister responsible for small business agrees with that statement. It is further stated in the article -

Mr Etrelezis said lease agreements usually were reviewed every three or five years. By adopting the new procedure traders would have greater certainty in formulating their budgets.

One of the most telling statements about this Government's treatment of small business was contained in the first paragraph of the editorial in *The West Australian* on 14 October, as follows -

For a self-proclaimed champion of small businesses, the Court Government has shown a cavalier disregard for problems caused by its land tax system.

I will further demonstrate this Government's disregard for small business by referring to an incident that occurred last Friday. Last week was Small Business Week, and it culminated on Friday with a function at which awards were made to small businesses in Western Australia. The *Sunday Times*, a sponsor of the function, produced a newspaper for that ceremony containing photographs of the winners and providing some information about them. All those present at the ceremony on Friday night were given a copy of that newspaper. Whose photograph was in that newspaper espousing the virtues of small businesses? It was the Premier's. It was stated that the Premier would be present at the award ceremony and it quoted him saying how wonderful small business is and how important it is to the economy of Western Australia. However, the Premier was not at that function. He sent his apologies at the last moment, much to the consternation of the Small Business Development Corporation and the organisers, Telstra and the *Sunday Times*. On Sunday that same text appeared in the *Sunday Times* but it was not attributed to the Premier; it was attributed to the Deputy Premier, who was at that function. The Premier's speech, which was delivered by the Deputy Premier, indicated how important small business is to the Western Australian economy. However, the Premier did not have the courtesy or regard for the small business community to attend that premier award ceremony for small businesses in Western Australia. He allowed the newspaper to print its copy, which had to be changed to

reflect the fact that the Deputy Premier delivered the speech. That is an indication of this Premier's regard for small business in Western Australia.

Mr Cowan: That is nonsense.

Mr CATANIA: I am sure members opposite heard the complaints that night, and I have received complaints since from people who were disappointed that the Premier did not have the courtesy to attend that function, which was so important for small business owners.

I return to the land tax problem. I refer to the small business policy of this Government, which was set out in a document before the last election. It is stated on page 6 of this policy document that -

Land Tax and water charges are among the most contentious government imposts on small business . . .

A fairer system of valuation must be established within the commercial sector.

A Parliamentary inquiry into Land Tax and water charges will be instituted. It will be given a specific timeframe to produce its recommendations which will be acted on as a priority.

In the interim there will be a freeze on land tax and water charges for small business.

That was the promise. Last week when land tax assessments were received by small business and other areas that attract land taxes most taxes had gone up by an average of 33 per cent. As I said, the Government promised a fairer system of valuation to the small business population which it has always taken for granted - this is an indication of just how much. Last year and this year land tax increased greatly despite the Government's promise to small business of a fairer system of valuation. The small business sector employs 50 per cent of the work force in Western Australia; that is, 280 000 people. I cannot see anything more hypocritical than that sector being promised that a huge financial load would be shifted from it when not only has that load not been shifted but also it has increased. It is dishonest and certainly hypocritical. As the Leader of the Opposition stated, there is no solution but to review the way in which land tax is valued over four to five years. The answer is to base the valuations on an average of valuations.

Mr Strickland: Average means some people pay more and some pay less. Who will pay more?

Mr CATANIA: No; they will not; if it is averaged it will apply to everyone. It can be averaged out to achieve an equitable system.

In Western Australia we depend heavily on a vibrant small business sector.

Mr Strickland: Come clean: For whom will land tax increase? You said you would average it out. Some will pay more and some will pay less.

Mr CATANIA: When the Leader of the Opposition was on his feet he commented that land tax increased when the Labor Government was in office. We admit that, but it did not rise steeply by up to 200 per cent, as it has over the past two years. It increased gradually so that people could budget for it and be more comfortable with the load. I am not saying that under a Labor Government land tax would not increase. Obviously as land values rise, land tax increases. However, we must guard against steep increases. Increases from \$17 900 to \$30 000 or from \$5 000 to \$7 500 are huge imposts. In light of the importance of this sector to employment and the economy it must be kept vibrant. Small business will not be kept vibrant if imposts are increased by Governments. As I stated, one of those imposts is land tax; others are water and electricity rates and compliance costs.

The small business sector in Western Australia is a very small sector. The average number of employees in small businesses in Western Australia is five, which is fewer than in the other States where the average number may be up to 20. In the manufacturing sector the average number of employees is fewer than 100.

The nature of individual small businesses in Western Australia is peculiar because of their very small size. They are often run by families who have mortgaged the family home to enter a business. If we start increasing imposts such as land tax we could be taxing the family home. That could threaten the family and force them into either taking out a greater mortgage or selling the family home. As retailers in shopping centres will tell members of the Government, that is the position many small businesses face in Western Australia. I am sure members opposite agree with me. The only disappointing issue is that their agreement does not translate into action. I am speaking for the huge number of small business people who have telephoned my office and, I am sure, the offices of other members in this Chamber complaining about this impost. In light of the actions of the Premier and this Government, we must question its commitment to the small business sector.

The Leader of the Opposition pointed to the various statistics and surveys conducted recently which have indicated that business confidence is the lowest it has been in four to five years. That has been said to me on various occasions.

Uncertainty exists among the employed sector of the population in Western Australia who have changed to workplace agreements and who do not now have "a job for life". They therefore are not making commitments in the areas they did once. Retailing needs have changed.

Mr Cowan: If you are talking about small business you are on pretty shaky ground when you say that people do not now have a job for life. They never did. This is one of the things that small business has resented for a long time. People in other sectors of the work force have a job for life.

Mr CATANIA: If I were a consumer who had a permanent job I would be in a good position to make purchases. The lack of permanency in the current work force affects returns to small business.

Mr Strickland: The key factor is that the level of personal debt has increased and people do not have the money to spend.

Mr CATANIA: Should the Government not take a small amount of blame for that? It has not provided the environment in which personal debt can be reduced. Neither the State nor the Federal Government has encouraged or rewarded that part of the community that does not have high debt. That will be the only way that the trickle-down effect to small business will eventuate.

Mr Trenorden: I will accept that if you accept that you must take some pain for increasing retail trading hours in your time.

Mr CATANIA: I agree with the member for Avon. Perhaps we should have examined retail hours more closely. In defence of this side of the House, we did not go to the deregulation pit that the Government has reached. It has gone to the very edge of total deregulation.

Mr Johnson: In what way?

Mr CATANIA: I believe that the Government will not deregulate further until after the next election. If it is successful it will go down the Kennett path. The member for Avon must agree that that is worrying many small businesses in the community.

Mr Trenorden: You know my track record.

Mr CATANIA: Yes. The member for Avon is aware of their concerns. Those concerns have been expressed to the member for Avon and the member for Scarborough.

Mr Strickland: There are enough people on this side of the House to ensure that does not happen after the next election. There will not be deregulation of trading hours.

Mr CATANIA: Small business must believe the member for Scarborough. The member's colleague in the other place, the then Minister for Fair Trading, told the small business community two years ago that although the Government would deregulate trading hours, which will be an impost on small businesses that are tenants in shopping centres, the Government would ensure through the commercial tenancy legislation that small businesses did not have to open for the hours that shopping centres would be open. The Minister for Fair Trading still has not done that. I appreciate what the member for Scarborough has said; however, the small business sector does not believe him.

The bankruptcy levels in Western Australia, particularly small business-related bankruptcies, had declined over a number of years. However, I am now concerned that over the past 12 months the bankruptcy level has increased again. The figure in Western Australia has increased by 16 per cent. That is a huge concern, because the small business population in this State is small. A small business-related bankruptcy affects the whole family, because the family home may have to be sold in a mortgagee sale to pay debts. In many cases that places so much pressure and trauma on a husband and wife that the family splits up. Families are our most important asset. When the Government makes a decision to support small business, it is supporting families. Its decisions can have a telling effect on families and provide some breathing space for them.

I am sure that the member for Scarborough reads the *Stirling Times Community* newspaper. The front page headline on 6 August is "Locals find going tough". The article states -

Recession-hardened local small businesses are finding the going extremely tough.

They claim increased competition, the downsizing of clients' businesses, government charges and regulations as factors in the slump.

This is my own electorate of Balcatta. The article continues -

Balcatta's Bladon (WA) and Buckingham Pewter owner Ann Bradford said business was tougher than during the recession in the 1980s.

Mr Johnson: What government charges are they referring to?

Mr CATANIA: The article made a general statement on government charges, but it is not hard to figure out what they are: Water, land and others.

Mr Strickland: Water charges have gone down.

Mr CATANIA: Water rates have decreased, and various charges such as headworks and others have increased. The member for Scarborough should be very careful. The financial section of *The West Australian* on 15 August states, "WA traders wonder where NW money is being spent." The general lament in the small business community is that this Government has not fulfilled the promises it made before the last election.

Two principal issues that go to the core of the viability of small business are trading hours and commercial tenancies. An essential element in the survival of small business is a retail environment in which trading hours are maintained. Unless small businesses have a trading hours regime with which they can cope we will see the transfer of small business sector profits to large retailers. Extended trading hours were tested in New South Wales and the ACT. They tried seven days' trading and deregulated hours. The ACT has turned back from that because small business could not absorb the impost of time and money that was required to service a seven day a week deregulated regime. It was impossible. It will be even more impossible in Western Australia, where family businesses are small. Extended trading hours has been another reason for the splitting up of families, because they have no opportunity for leisure time if family members are involved in the business all day Saturday and on Sunday.

Deregulation of trading hours is an extremely important decision. The Premier's statements on that issue are scandalous. He has caused so much uncertainty in the small business sector that it is very concerned. With all due respect to some government members, small business does not believe this Government is committed to the present regime of trading hours. Small business firmly believes this Government will further deregulate if it wins the next election.

One of my pet subjects is commercial tenancies. They are of great concern to retailers in shopping centres. There has been a relentless pursuit over the past three years by landlords, their smart solicitors, and managing agents to ensure that rentals are intolerably high. They are forcing unreasonable variable charges on tenants. Some of those charges do not relate to that shopping centre or tenancy but are forced on the tenant. Members heard me only a couple of weeks ago give examples of the sorts of imposts that were placed on tenants in Farrington Fayre. Completely unrelated charges such as mobile phones, lawn mowing, filing and rental for offices in West Perth were imposed on those tenants. Tomorrow I hope to attend a Commercial Tribunal hearing where a class action has been taken against a certain shopping centre which forced those charges on the tenants.

Mr Strickland: I hope the tenants have a win.

Mr CATANIA: I sincerely hope so, because smart solicitors have forced them to wait one year before the case was heard. In that case the landlords were hoping that the delay would mean that the tenants did not have the money because the wait would force them into bankruptcy and the landlord would take over their tenancies and replace them with other tenants.

The commercial tenancy legislation that I introduced in this place only two weeks ago deals with rent reviews; prohibits the passing of land tax charges from landlord to tenant and sinking funds; and provides for a complete audit at the landlord's expense and tenant access to accounts for charges. All those changes should be supported by this Government.

Mr Trenorden: Who has the track record?

Mr CATANIA: When the Labor Party was on the Treasury benches in 1990 it made changes to the commercial tenancy legislation. I sincerely hope that members opposite support the legislation I introduced two weeks ago. That will prove that members opposite support small business and have some consideration for it.

[The member's time expired.]

MR COWAN (Merredin - Minister for Small Business) [8.20 pm]: I listened with interest to the Leader of the Opposition in the rather faint hope he would take an approach to these matters different from that taken by the former Leader of the Opposition. I had an opportunity last night to remind the Leader of the Opposition that his great Achilles heel is that, having come from academia, he has a tendency to be very good at researching the subject and excellent at identifying the problem and, on the odd occasion, is able to provide a solution, but he never provides the

process through which a plan can be implemented to achieve the solution. Again, that is what this House has heard from the Leader of the Opposition about small business.

I need to take issue with the Leader of the Opposition on some of the premises upon which he has based his comments. Most people in small business expect the Government to have one criterion as its fundamental objective; that is, to create an environment in which small business can prosper. Nobody would disagree with that. There was only a fainthearted acknowledgment by members opposite of the environment which has been created to achieve remarkable economic growth in this State. The Leader of the Opposition actually said there has been a patchiness in the economy. Of course, that is right. Nobody will get uniform growth throughout the economy of this State.

It is important to go through some of the issues which were referred to. I acknowledge the Leader of the Opposition did get the economic growth rates for this State correct. He indicated that this State experienced a growth rate of 6.3 per cent in the 1995-96 financial year and that it has come down to 5.7 per cent so far this financial year. It is forecast to increase to 6 per cent. I think those are the figures quoted by the Leader of the Opposition. After that, some of the statistical data that he gave falls into a hole.

The Leader of the Opposition talked about bankruptcies and said there were something like 1 600 or 1 700 bankruptcies in Western Australia.

Dr Gallop: I said 16 per cent.

Mr COWAN: If that is the case the Leader of the Opposition had better correct what he said in *Hansard*. I was listening to him very carefully and I am quite sure he talked about 1 600 or 1 700 bankruptcies. I will deal with the real figures relating to bankruptcies. I could not go to any better source than the Inspector General in Bankruptcies. His figures indicate that Western Australia's business related bankruptcies fell by 13 per cent in 1994-95. Unfortunately, I do not have access to the 1995-96 figures because they are embargoed until next month. In 1994-95 the number of bankruptcies was only 313. I would be the first person to acknowledge that the number of business related bankruptcies do not necessarily give any indication of the number of business closures.

If members look at the statistical data which provides some evidence of the way in which small business is performing, they are able to use bankruptcies only as an indicator. They can also use business registrations, but again only as an indicator. In that instance we do have figures for 1995-96 and in that year business name registrations increased by 5 per cent above the previous year, which was a record. In 1995-96 there were 30 500 business name registrations; again, I am the first to acknowledge that is only an indicator.

Dr Gallop: Our motion congratulates small business for continuing to develop despite the obstacles.

Mr COWAN: We have reached the stage where there is some acknowledgment that the indicators, in a State which is experiencing economic growth rates at least 2 per cent above the national figures -

Mr Catania: That growth has not been transferred to the wellbeing of small business.

Mr COWAN: I need to deal with that issue. It is a fairly bald statement.

Mr Catania: It is meant to be very bald.

Mr COWAN: I can pick holes in that as easily as anybody else in this place. I am setting the environment experienced by small business; that is, for a developed economy, this State has high growth rates. Those growth rates are two percentage points above the national rate. I admit there cannot be uniformity in economic growth rates across a range of businesses. As the Leader of the Opposition said, there will be some patchiness. People have acknowledged that this State's economy is in two parts. The economy is being driven by both the resources and the agricultural sectors. They are experiencing very good growth rates. We are identifying with that industry sector. There has been unprecedented growth in the construction and fabrication industries. The Government acknowledges that there has been a degree of flatness in the retail sector, the cottage building industry and the small business sector. Everyone knows that in Australia during the last quarter of the last financial year, with the exception of Western Australia and the Northern Territory, there was a very flat growth in the small business sector.

I will make a comparison between the actual growth of small business in this State and other States over the last five years. In that time the growth of small business in this State has been in excess of 21 per cent. Correspondingly, the national growth rate was only 8.3 per cent. It must be acknowledged that the environment in which all business and industry is operating in Western Australia is reasonably buoyant and is better than in any other part of this nation. Members cannot say it is not. When there is economic growth in excess of 5 per cent the economy must be in good shape.

Mr Catania: I agree. In your words the growth and benefits have been concentrated at the upper levels of big business - the multinationals - which are exporting their products. Small business is not getting any benefit from that or the growth rates you are alluding to.

Mr COWAN: Again, that is a generalisation; I could find statistical data to refute that claim. The member for Balcatta indicated to the House that he went to the Telstra Small Business Awards night which was attended by 460 businesses. Except for some instances, I do not think anybody in those businesses said anything other than "Business is pretty tough, but we're doing okay". That has been the catchcry of small business for as long as I can remember. Everyone in small business must work in excess of 40 hours a week to survive.

Mr Strickland: For seven days a week.

Mr COWAN: As the member for Scarborough said, they provide services seven days a week. That is why many of the major companies are outsourcing their requirements that are not part of their core activities as they know that small business does not face the overheads borne by a large corporate organisation. A family-style business absorbs much of the punishment one takes for granted, such as workers' compensation and superannuation. In fact, the business and its goodwill are the superannuation of small business.

Mr Catania: What are you saying? That they work seven days a week and make big sacrifices, so they must accept the impost and the fact that your growth does not trickle down to them?

Mr COWAN: That is not what I say at all; I say that the economy in Western Australia is buoyant. I acknowledge that some flatness is evident in certain sectors of the economy which I have listed. However, the statistics indicate that we have unprecedented growth in the number of small businesses and that the economy can support that growth. I will always acknowledge that flat spots will occur, and that acknowledgment has been made.

Let us now deal with the other part of the Leader of the Opposition's motion. It refers to cost impediments which impact seriously on small business and lists first the high level of state taxation. We all know that if one has economic growth, and even if one makes no adjustment to the State's taxation base, one will always get an increase in the state tax revenue. The economic growth produces additional income from business which pays its taxation. However, that does not mean that the Government takes that fact for granted. It must be acknowledged that the Government has taken action on some of the state taxes which impact on small business. We made changes to payroll tax. When we came to government in 1993 -

Mr Catania: Ninety-five per cent of small businesses do not pay payroll tax.

Mr COWAN: The member for Balcatta has taken away my punch line! I will repeat it anyway because it is very important. When we came to government the threshold for exemption from payroll tax was \$375 000, and the figure is now \$625 000. As a consequence of that change, 96 per cent of all Western Australian businesses are exempt from payroll tax. The claim was that the State Government was doing nothing regarding state taxation as it impacts on small business.

Mr Catania: Ninety-five per cent do not pay because they are too small to pay; your argument is fallacious.

Mr COWAN: If the Government had not acted on payroll tax, a greater number of people would be paying it. They do not do so now courtesy of the increase in the threshold introduced by this Government. Also, I am confident that the process will continue and that we will in future raise the threshold so we can maintain the level of small businesses exempt from payroll tax.

I think we have dealt with the second part of the motion moved by the Leader of the Opposition. Nobody likes bankruptcies - one is too many.

Mr Catania: They increased from 315 to 352 until 30 June.

Mr COWAN: The statistical data has been embargoed I understand, so I will be interested to know from where the member obtained that figure. We are not doing too badly with the rate of bankruptcies if one uses that as an indicator of the health of the small business sector.

I need to address some other areas. I acknowledge that nobody has right entirely on his or her side; the Government is not always right, and the Opposition is not always wrong - just mostly wrong. A significant amount of time was taken in this debate to deal with the land tax issue. I heard the Leader of the Opposition say that this Government has done nothing about the issue of land tax. Let me correct that assumption made by the Leader of the Opposition. In the first instance, we have adjusted quite significantly the level at which land tax is paid. When we came to government, if one had property valued in excess of \$150 000, one paid land tax; that property value threshold is now \$1.1m.

The problem with land tax previously was that valuations were conducted every three to five years in the metropolitan area. The previous Government decided it would fix that. It determined that no increase would apply in the threshold at which the sliding scale operates, but it would increase it in increments of no greater than one-third at any one time. This Government decided to change that. We insisted that annual valuations be conducted. On that basis, one does not need the formula by which tax was increased by a maximum of one-third. The problem is that valuations, as the Leader of the Opposition rightly said, have increased significantly. That is the difficulty. If we take the property in King Street, which so many people use as an example, in 1992-93 the property valuation was \$910 000 with land tax of \$19 187.50. In 1993-94 the valuation was reduced to \$835 000 and the land tax payable was \$11 187.

Mr Catania: On the same property.

Mr COWAN: Yes, because we varied the rate. In 1994-95 - again I refer to buoyancy and property values based on gross rental value - the same property value went up to \$1.2m and the land tax was \$18 375. In 1995-96 the valuation remained the same but, again, as the Government made the decision to reduce the rate of land tax, the property received a reduction in land tax payable. It was only a marginal reduction but it went down to \$17 900. The real problem is that this year the Valuer General has decided that variable outgoings will be part of the assessment of gross rental value.

Mr Catania: That is a huge impost.

Mr COWAN: The consequence is that the property value in 1996-97 has moved from \$1.2m to \$1.85m. Of course, land tax has moved to just under \$31 000.

Mr Catania: Is that land tax right or wrong?

Mr COWAN: I have given an outline of the facts, which many people have a tendency to ignore because sometimes the facts do not suit their argument. Contrary to the assertions of the Leader of the Opposition, the Government has dealt with the issue of land tax, and it has given some alleviation from the tax to the majority of small business people. Unfortunately, because of the Valuer General's including variable outgoings in the assessment of the gross rental value of property -

Mr Catania: This is amazing!

Mr COWAN: Why?

Mr Catania: Your Government has allowed outgoings to become part of this.

Mr COWAN: Had the Government interfered with the operations of the Valuer General, I imagine there would have been an outcry not only from the Opposition but also from other people. They would have accused us of interfering with the independence of people appointed to undertake a certain task. Naturally the Government must deal with the issue. As I have indicated, we have dealt with the issue of land tax in the past - and we must deal with it again. We gave a substantial opportunity for a reduction in land tax. In 1991-92 - remembering who was in government - a property valued at \$1.3m yielded \$29 865 in land tax. In 1996-97 the property valuation is \$1.85m and, because we have offered relief from land tax, it is now below \$31 000. In my view, as the Minister responsible for small business, now that the valuations are starting to come through we acknowledge that the level of increase is unacceptably high.

Mr Catania: Will you make a commitment to take away variable outgoings?

Mr COWAN: If we are to interfere with the policy -

Mr Catania interjected.

Mr COWAN: The member just will not allow me to answer the question. He cannot help himself. He should sit there quietly and I will explain. I have informed the House how, in certain circumstances - we must acknowledge the circumstances - the rate of increase can be absorbed, and I have explained the circumstances in which the rate of increase occurred. I have acknowledged that the rate of increase is unacceptably high, and we will deal with it. Unlike the Opposition, which identifies the difficulty and then says that we should do this or that, I am saying that we will do something about land tax. There is no point in saying at the beginning of our term in office that we will provide alleviation to small business from the impost of land tax and then allow a system to play a catch-up game, so that by the time we reach the end of our first term we find we have negated all the good work done at the beginning. We will not allow that to happen.

Whether we identify something in the Act under which the Valuer General operates to remove the capacity for gross rental values to include variable outgoings, or whether we adjust the rate at which land tax is paid - which would be a simple task - we will not go back to the same position that we faced when we started -

Mr Catania interjected.

Mr COWAN: I must move on because many people associated with small business want to contribute to the debate. I implore the member for Balcatta not to be so constant with his interjections.

Mr Catania: Since you have included variable outgoings in the assessment of land tax -

Mr COWAN: I did not!

Mr Catania: You are the Government, and the buck stops with you.

Mr COWAN: I acknowledge that.

Mr Catania: You have allowed variable outgoings to be included in land tax assessments. Will that be the norm or will you delete that provision? This is a major policy change.

Mr COWAN: It was a decision of the Valuer General. I do not know, because I am not a lawyer. I do not have the Act in front of me, and I am not responsible for that legislation. I do not know whether the Valuer General was acting within the law. I imagine he would have received advice that he was. If he was, the easy solution for us is to identify the rate at which land tax is paid. Adjustments have been made in the past. I am sure that adjustments can be made to compensate for the new method of assessing gross rental values.

The Leader of the Opposition referred to "a four year low" in business confidence. To demonstrate his point he drew attention to a publication by the Curtin School of Small Business. A survey identified 120 businesses and was based on their expectations and whether they were met. Some of the small businesses expected to increase their business by 45 per cent over three years. Some of them expected to increase their business by 45 per cent in 12 months. That is nonsensical. The basis upon which the survey was conducted was that if their expectations were not met, they could think of a number, multiply it by five and place that in a square. The conclusion was that if their expectations were not met, small business was suffering terribly. Surely we can do better than that.

Mr Catania: Do you disagree with the survey?

Mr COWAN: I acknowledge that there are some black spots in the small business sector.

Mr Catania: Do you agree with the survey?

Mr COWAN: No. It is nonsensical for anyone to ask a business about its sales expectations, compare that with the actuals, and then say that small business is suffering badly or has arrived at a four year low. All that tells us is that the expectations of small business were too high - nothing more and nothing less than that. Let us look at business confidence -

Mr Catania: Remember - small business as distinct from big business.

Mr COWAN: - as it relates to small business from other reputable bodies. Does the member for Balcatta recognise the Yellow Pages small business index as a reputable body?

Mr Catania: Yes, I do.

Mr COWAN: There was a fall in business confidence levels across all States for the previous quarter, yet Western Australia's net confidence level of 54 per cent of all businesses surveyed remains second only to that of the Northern Territory. Let us talk about our own Small Business Development Corporation. The member for Balcatta had some fine words to say about George Etrelezis. I am pleased about that. I have made a deliberate point of saying to the Small Business Development Corporation that it has a responsibility to be the champion of small business. I removed its responsibility for the commercial tenancy legislation because I viewed that as putting the corporation in a category of being a policeman, and I did not want it to be that; I wanted it to be a champion for small business. As a consequence of that, the Small Business Development Corporation has tackled that objective with a great deal of enthusiasm.

Mr Catania: Do you agree with George when he says that the owners, not the tenants, should be responsible for paying land tax bills?

Mr COWAN: I do not have any difficulty with that. One survey about business expectations was given some prominence in the media. To be fair, the Leader of the Opposition alluded to this: He indicated that those

expectations might have been too high because they were perhaps built around those times when the State had higher inflation than it has now. Quite justifiably, taking inflation into account, small businesses could have built their expectations about their sales or turnover on that, but when their actuals came out they were very low. I do not regard that as an accurate assessment of what is happening in small business. I have greater regard for the Yellow Pages small business index when it states that the level of confidence in small business has fallen, but that in Western Australia 50 per cent of small businesses are confident that they will have an increase in turnover or an increase in sales.

The 1996 September quarter business confidence survey for the National Australia Bank, which is not known for making too many mistakes, indicates that Western Australia is the only State to report good business conditions and to continue to have a positive index result. The State has an opportunity to continue to lead this nation in economic growth and that economic growth will flow through to the small business sector.

Let us consider what many people are talking about - the resources boom. I do not use the word boom, because whenever that word is used, another word follows not long after. I am confident that Western Australia can maintain the level of investment in the resources sector and a high level of local content that will advantage a much broader section of the State's economy. Notwithstanding the fact that everyone wants to jump on the bandwagon and claim that the resources sector investment and the growth and development in the resources sector is not being passed on to everybody, there will always be enough people in society whom we can credit for having some knowledge or association with small business, who will say that things are terrible and that this is not happening. The leeches in the media fasten onto that and never let it go. Every time journalists look up their library on their computer they find that someone has written about doom and gloom, so they write it again.

I suggest that there will be reasonably high local content in some of these major projects. I use the BHP hot briquette iron project as an example. I wish my colleague the Minister for Resources Development were here so I could get from him an indication of the cost of that project. I think it is about \$1.5b. Bearing in mind that a lot of sophisticated machinery and equipment will have to be built overseas because the State does not have the capability to build it here, a minimum of 41 per cent of that project will be constructed locally and a minimum of 11 per cent will be constructed in the other States; that is 52 per cent of that project. In other words, contracts to the tune of a minimum of \$750m will be called for construction in Western Australia. That would not have occurred had that project not proceeded.

Mr Catania: Half has gone overseas.

Mr COWAN: We acknowledge that. However, a lot of equipment that will be used in that project cannot be built in Western Australia. I heard a lot of talk about a contract for the supply of a crane. No-one has ever mentioned that the one Australian bidder submitted a non-conforming bid. People seem to forget that in their desire to knock some of these contracts that, by necessity, are let overseas.

I have given just one example. I am sure there are many others that involve a significant investment in the resources sector that will flow on to the small business sector - and automatically it will flow to the construction and fabrication industry. I think many views of the retail sector were associated with the Federal Government's decision to identify the savings it could make to recover its position and go to a balanced Budget. That did not boost confidence. It was not until the Reserve Bank reduced interest rates that there was a lift in confidence. Statisticians will tell us in future that the boost in confidence coincides very much with the decision of the Reserve Bank to reduce interest rates.

Since that time the federal Budget has been produced and it contains some very bitter pills that we must swallow. However, people have discovered that they can live within it and, as a consequence, there is a growing degree of confidence. I am sorry the member for Ashburton is not present because I am sure he would acknowledge that there is already an indication that even the housing sector, to which he referred, is beginning to pick up. The member for Geraldton will tell the House that people are still a little reluctant to invest their money in a motor vehicle. Nevertheless, I am confident that that industry will expand also.

Mr Catania: How do you reach the conclusion that activity in the housing industry has picked up?

Mr COWAN: Already indications are that the number of new housing starts has increased. That is a fact.

Mr Catania: Whose statistics are you quoting?

Mr COWAN: I do not have them here, but if the member wants me to do his job for him, I will find them for him. It is true; they have increased. I acknowledge that we have difficulties in a number of areas and we must face those difficulties. We want to maintain the momentum and the growth in the small business sector, because some of the things that have been said by the Leader of the Opposition and the member for Balcatta are correct: More than half of our employable work force is employed in the small business sector; 96 per cent of registered businesses are small businesses; small business is the engine room of the State's economy. We will not forget that. We acknowledge that

there is work to be done in the area of land tax and commercial tenancies; there is work to be done on a range of matters. For example, in cooperation with the Commonwealth, we must consider further deregulation and look at the huge cost of compliance. No-one has ever been able to work out what that cost is. However, the deregulation task force established by the Federal Government has estimated that the cost of compliance could be as much as four hours a week. The Western Australian Chamber of Commerce and Industry has estimated compliance at approximately \$26 000 a year. That figure must be brought down. We are pleased to be cooperating fully, through the Small Business Development Corporation, with Geoff Prosser, the Federal Minister for Small Business and the Small Business Deregulatory Taskforce to come to grips with that issue. Most of the compliance costs are associated with two things: Taxation, either direct or indirect, and the necessity to provide the Australian Bureau of Statistics with statistical data about that business.

We are working on those issues. We recognise that we are not living in a perfect world and things should be done. However, one thing we will not cop is this claim by the Opposition that these problems are all the Government's fault. They are not. We will continue to act to fix them up and make the environment better for small businesses in Western Australia. I will move an amendment to the motion to put it into a more acceptable form for members of the House.

Amendment to Motion

Mr COWAN: I move -

To delete all words after "businesses" with a view to substituting the following -
on their contribution to the state economy.

The House notes that -

the Western Australian economy will continue to strengthen with recorded growth of 6.3 per cent for 1995-96, forecast growth of 5.75 per cent in 1996-97, 6 per cent in 1997-98 and 5.25 per cent in 1998-99;

in the last five years the number of small businesses in Western Australia has grown by 21.5 per cent compared with the national average of 8.3 per cent;

business related bankruptcies in WA fell by 13 per cent in 1994-95; and,

new business name registrations in 1995-96 increased by 5 per cent on the previous year to 30 500.

In addition, this House -

acknowledges the impact of federal and state business taxes and charges and compliance costs;

commends the State Government on its support for small business through the Small Business Development Corporation and other government agencies; and

commends the Federal Government for its initiative in establishing the Small Business Deregulation Taskforce to examine ways of reducing the burden of federal taxes and compliance costs imposed on small business.

MR BLOFFWITCH (Geraldton) [9.06 pm]: I pay tribute to the small business community of Western Australia because, despite the unlevel playing field on which these businesses operate, they do an absolutely remarkable job. We should be grateful that they employ half the work force in the marketplace. No matter which party is in government, it is that party's duty to foster and encourage small business. We do nowhere near enough to protect small business enterprises. Our trade practice laws and our fair trading laws that protect consumers and exempt small business are an indictment of us all. Small business feels the greatest pain in the world of big business. An example of that is the Coca-Cola company. That company will do deals with national companies such as supermarkets, but when small businesses form themselves into cooperatives, it ignores them and will not deal with them. Clothing companies form themselves into large buying groups and deal in very prestigious brand names. When companies refuse to service the buying groups with those brand names, it is little wonder that they do not get the market share enjoyed by the bigger companies that have access to those brand names. If I said I would buy as much Coca-Cola as K Mart buys in the next 12 months I would expect to pay the same price as K Mart. Not only does it not give me the same price, but also it will supply me with the same amount of Coca-Cola, but at the normal recommended retail price. However, I can go to K Mart, Woolworths, or a Big W store and I can buy it for 15¢ to 20¢ less than I paid for it directly. When people ask me whether it is a level playing field out there, I tell them that it is so distorted that I am staggered that small business can grow at the rate it does and still do the job it does.

I lay the blame for the Trade Practices Act fairly and squarely at the feet of the Federal Government. It copied that legislation from the antitrust laws of America. However, it took only about half of those laws. When the discriminatory practices that the legislation outlaws were being considered, small business was left out. When collusion and price fixing were considered, small business was included. Small business got a very poor shake from that exercise. That is evident in the marketplace. It is evidenced by the fact that there is virtually a boycott of supply by major companies of certain businesses. In that environment, how do small businesses compete with the Woolworths and K Marts? They compete on a pretty limited basis. How do clothing stores compete with them with brands like Yakka? The manager of a store in Geraldton - he is a member of a national buying group - told me that he was told by, I think, Yakka that it would no longer deal with him. I asked him why and whether he was paying his bills. He said that he paid his bills within 30 days. However, he said that too much pressure was being placed on Yakka by the bigger companies which told Yakka that they would not carry that line if it continued to supply the product to this small business.

Mr Trenorden: Under the antitrust laws in America, that is illegal.

Mr BLOFFWITCH: Under those antitrust laws, those companies would have been fined \$1m or \$2m for doing something like that. However, in Australia we allow this to continue. On a lesser scale, why do the fair trading laws apply only to consumers? I pressed the Attorney General on this when he was Minister for Fair Trading. I think he has a Bill somewhere in the archives in which he will include small business. Why was it not a priority of this Government and of the previous Labor Government in its 10 years? Let us try to give small businesses a level playing field and make it a little easier for them to compete fairly in the marketplace. We have done nothing and we deserve to be condemned for some of the actions we have taken with small business. I have listened to the Minister for Small Business and I applaud the initiatives he has made and is making, whether they involve lifting the threshold on payroll tax or the threshold on the valuation of property trusts. What choice has the State? Under the Australian Constitution we are not allowed to impose a tax on earnings. What could be a fairer system than to pay the tax burden out of profits and then when people are making a loss pay nothing, because that is surely when they need support. Surely tax should be derived from profits or at least the money people are spending to buy goods. What did we do when we had probably the best plan I have ever heard of for small business under the Hewson plan? As political parties we could not even get our act together and say that the goods and services tax would benefit small business.

Mrs Parker: They played games with it.

Mr BLOFFWITCH: Not only that, but it put so much fright into the federal politicians because Mr Hewson lost the election that the GST might not come back on the agenda for 10 years. I implore federal politicians to get together, perhaps in a joint party committee, look at taxation realistically and come up with a unified view of what we need to do in this country to reverse taxation. I look at what would have happened under the GST plan. Every small business would have been able to claim the 15 per cent as a deduction of anything it used within the business. I remember that when I started in my first service station, when I bought equipment I used to get a sales tax exemption of, I think, 15 per cent. If it were a battery charger I could claim that exemption. As happened with the Auditor General, someone found something in the tax law and said, "We do not think small business should get that." After that we paid sales tax on everything we used in our business. Where is the logic in that? I am not selling that item but using it as a business input, yet the interpretation was that the tax, which is now 22 per cent, should be paid on every item. Under the GST small business would have been able to claim a deduction for every bit of that. I often like to relate what happened in New Zealand as an example. When they went to the GST they had 380 000 businesses. When businesses had to register to claim back tax deductions they discovered they had 700 000.

Mr C.J. Barnett: The Government claimed the credit!

Mr BLOFFWITCH: The Government said, "What a great job we are doing. Look at the amount of money we are now collecting off these businesses." Revenue doubled in the first year. We have seen the result in New Zealand. In the past 10 years they have been able to introduce tax relief and reform. How in Australia will we ever get away from the bogeyman of taxing business and people on everything other than profit and sales of goods? We are told we are not allowed to do it in this State. What do we do? We invent taxes because we need \$7b to run this State. We must get that from any means we can, and of course we do. We get it from property tax, payroll tax, stamp duty and financial institutions duty. What relevance have they to the profit of a business? Must a business still pay payroll tax when it has lost \$30 000 in a month? Yes. If it sells a property or buys something must it pay stamp duty? Yes. If it is doing banking transactions - and one hopes it is still doing a few - must it pay financial institutions duty? Does it have to pay water rates and all those taxes? Nobody can deny that we need revenue for the state services that we provide. What could be a better way of doing that than to go to a system based on a retail turnover tax and a proportion of income tax? People ask, "What is the difference between the United States and Australia as far as tax

is concerned?" Every visitor who has been to the United States will know that they put a levy on income tax of perhaps 5 to 6 per cent and also on goods that are sold.

Mr Ainsworth: There is one other aspect of sales tax which I find totally iniquitous and that is where sales tax is added to the cost of freight of getting the component to the purchaser. That is totally unfair.

Mr BLOFFWITCH: The member is absolutely right. This is the interpretation of the department. They ask, "What is the cost of the goods?" We might say they cost \$28 but the department says that they cost \$29.20 because there is also the cost of freight. They say, "You will pay sales tax on the cost of the goods." Under its interpretation we pay all on delivery and those costs are added together. We never used to pay sales tax on the freight component. There was a kerfuffle and the tax was imposed and it became a fait accompli. Now everybody pays it. That demonstrates the inequity of the system. Even if that were to be done under the retail turnover tax, businessmen could claim the \$29.20 as a deduction if the goods were used in the business. Until we in the business world get a taxation system like that, we will have bankruptcies in small business. Until we sort out the madness of provisional tax the same will occur. If a business earns \$100 000 in the first year as a result of mum and dad working hard -

Mr C.J. Barnett: People think they have done well!

Mr BLOFFWITCH: - they are then told they will have to pay provisional tax, not on the \$100 000 that they earned but on \$110 000. They do not pay only the \$40 000 normal tax but also another bill after two and a half years of \$45 000.

Mr Trenorden: It is amazing they survive.

Mr BLOFFWITCH: I find it incredible. In most cases the way people survive is to undervalue the stock and try to keep their taxes down, because without doing so very few would be in business after the first three years. That is the situation if they are running a cash business. What if they are running a normal business with debtors and stock? Stock is going up on average by 10 per cent each year. So, with \$500 000 worth of stock there is an extra \$50 000. They have to find that \$50 000 out of the \$100 000 profit. They then have general costs, which may go up 5 per cent, and let us assume that they are \$1m a year. There is another \$20 000 or \$25 000, and they have lost their \$100 000 in tax because it has gone into the business. The tax man says after two years that the Australian Taxation Office wants \$104 000. The poor old business person asks himself what he has done wrong. His accountant tells him that he is making all this money, but he has about \$50 in the bank and he owes the tax office \$100 000.

We tell these business people that the system is all right. When we get a chance to do something constructive, we get political and oppose it. We knock it out so that we never get an opportunity to improve it. We should get together and take a positive stand. These are the things we must do to be world competitive and positive. The benefit to exporters was hundreds of millions of dollars in savings on the sales tax that they are paying. They are the opportunities that this country must embrace. On an issue as important as that, it became political; it became survival of one party over another to knock it out of existence. I wonder whether we will ever get the system that we deserve in this country. Our politicians are not statesmen enough to put the country first and their political ambitions second.

Mr C.J. Barnett: I totally agree. If the Australian dollar collapses because we continue to have a tax system that is at odds with those of our trading partners and competitors, eventually there will be a crisis of confidence in the dollar.

Mr BLOFFWITCH: At that stage we will be feeling massive pain. People talk about spot recessions. We will have a massive recession.

We must get together enough people with brains to say that enough is enough. Let us get into the meat of it and establish a committee before the next federal election to look at what sort of tax system will enhance Australia. Let us not scare pensioners to death, but give them enough so that they are more than compensated. We pay sales tax on all goods other than fresh food and clothing. Therefore, 80 per cent of the goods we buy would come down in price and 20 per cent would go up. We could even double the old age pension to ensure that pensioners were not frightened. They are the positive things we should do to overcome the massive problems facing small business in this country.

MR TRENORDEN (Avon) [9.26 pm]: I congratulate the member for Geraldton on a very good speech covering the problems of small business. I will be a little more fundamental with the Opposition. I congratulate the Minister for Small Business on his amendment, which is much more to the point.

I wonder about the source of this new found interest in this issue on the part of members opposite. Other than the member for Balcatta, there is not a small businessman on the opposition benches.

Several members interjected.

Mr TRENORDEN: None of them speaks on those issues, other than the member for Balcatta. If members consult *Hansard* -

Dr Gallop: What about the member for Pilbara?

Mr TRENORDEN: He talks about big business. The member for Balcatta is the only member opposite with a track record.

Several members interjected.

Mr TRENORDEN: I can understand why the member says that: He is the only one who speaks on the issue.

I wonder whether the leopards have changed their spots. I can remember when I was in opposition and the member for Thornlie was the Minister for Fair Trading. Did she consult small business when she changed retail trading hours? Did she bring legislation into the House? No, she dropped it on small businesses without any consultation and said that she did not want to talk to them. What is the source of this new found interest in small business? The member for Thornlie was absolutely draconian; she stepped on small business with jackboots. The retail trading hours changes were crucial, but the member did not even make the changes through legislation; it was done through regulations.

Members opposite should be hanging their heads in shame about the Galleria shopping centre debacle. That shopping centre has been sold in the past few weeks. In the dying days of the previous Government the Labor Party came into this place and demanded that huge subsidies be given to the owners of that shopping centre. We were told that it would assist small businesses in the Morley area. What did it do? It shut down strip shops by the dozen.

Mr Kobelke: Where is your authority for saying that that was the motivation?

Mr TRENORDEN: The Labor Party speeches.

Mr Kobelke: You cannot open your mouth without getting it wrong.

Mr TRENORDEN: We were told that the Galleria development would be the greatest thing for small business in this State. It resulted in the closure of many small businesses and moved others into the captive market that the member for Balcatta referred to: The clutches of the forced high rates.

Dr Hames interjected.

Mr TRENORDEN: What happened? The previous Labor Government gave outrageous concessions to Galleria on land tax, water rates, land concessions and so on. What has happened? That is now the profit the owner has collected by selling the development. The concessions that went into that shopping centre - given by the Opposition to assist small business - went into the pockets of big business yet again! Members opposite should have known that that would happen.

Mr C.J. Barnett: They actually had a state agreement to set up a shopping centre. They set a first for Parliaments in Australia. They were the laughing stock of the country.

Mr TRENORDEN: That agreement gave away enormous concessions to a shopping centre!

Several members interjected.

Mr TRENORDEN: Highly irresponsible! Who has those benefits now? They are in the pocket of the previous owner. That is outrageous. Members opposite should be hanging their heads in shame. They have the nerve to come into this Chamber and spruik about the great things they will do for small business.

Mr Kobelke: Is that what the Premier said when he opened the Galleria?

Mr TRENORDEN: I was not there. I will swear on a stack of Bibles that I have never walked into those premises, and I never intend to. It was an outrage from day one. It was one of the saddest events that has taken place in this House when an agreement Act was put together to cover a shopping centre, to pillage small business in the Morley area.

Mr C.J. Barnett: It just shows how much development occurred in their term in government. It was their triumph!

Mr TRENORDEN: I do not think this debate will be reported by our colleague from *The West Australian* in the Press Gallery. That newspaper has taken an outrageous position on the question of retail hours. At least a year ago I wrote to the board of that newspaper. I said that it wrote many editorials about why retail trading areas must be deregulated. I asked it to tell me the profits the newspaper made out of advertising from those corporations that would benefit from extended trading hours. I never got a response from *The West Australian*. It has a vested interest in the question of

retail trading hours. I thought my letter deserved at least an acknowledgment of receipt; but I got nothing - absolutely nothing. This newspaper has, in my opinion, a pretty sordid track record on the question of retail trading hours.

The Leader of the Opposition also raised the matter of workers' compensation. There has been a 15 per cent reduction in workers' compensation premiums since this Government has been in office. Small business has been the major beneficiary of the reduction in those charges. All the way through the debate about workers' compensation, members opposite were pillorying us for taking this action. They want workers' compensation premiums to return to the levels they were. The comments of opposition members in that debate are on the record. We have only to look at *Hansard* to see what they were saying about the cost of workers' compensation. Many small businesses pay \$10 000 or more in workers' compensation premiums. Those rates have come down remarkably quickly under our Administration.

Mr Catania: Do you know why it has come down? You have taken it away from the people who have been hurt.

Mr TRENORDEN: The member cannot have it both ways. Even if I agreed with the member for Balcatta, which I do not, he cannot put forward that argument and also say that the reduction in the premiums for workers' compensation should not have occurred. Workers' compensation premiums form a very important part of the expenses of small business.

The Government took the initiative to reduce the charges to assist with debt reduction for small business. One of the real pains felt by small business was the payment of water rates. Some small businesses have only one tap, which is used by staff members mostly for making cups of coffee or washing their hands. Small businesses were paying thousands of dollars in water rates. Do members know where that initiative came from? It came from Peter Dowding's Administration. This was based on the premise that we often hear from those opposite: Small business is rich; it can afford to pay; the domestic householder should receive a concession. During those years of Peter Dowding's Administration, the water rates were pushed way out of kilter. We have brought those rates back into balance and small business is now getting a major concession on water rates.

Mr Shave: I know a lot of people in small business. The one thing they know absolutely is that a Labor Government is a high taxing Government.

Mr TRENORDEN: Members opposite have a terrible record on the issue of retail trading hours. The member for Thornlie moved to introduce Saturday afternoon trading. Immediately 6 per cent of the turnover of small business moved to big business.

Mr Catania: It is happening now.

Mr TRENORDEN: Those opposite made the changes to the retail trading hours. We have made no changes to them. Those opposite happily put over 80 per cent of the discount retail dollars in the hands of three major corporations. The goods on the shelves of those three supermarkets must come from the Eastern States. When these supermarkets are opened on Saturday afternoons, the goods of dozens of Western Australian suppliers fall off the shelves. Those shelves are stocked with goods supplied not from Western Australia, but from the Eastern States or from overseas.

Mr Catania: You have bred that.

Mr TRENORDEN: No, that was done by members opposite. The actions of the member for Thornlie brought about additional trading hours.

Mr Catania: What a long bow!

Mr TRENORDEN: No, it is not. Perhaps the member can go out and argue the matter. The Leader of the Opposition was involved in some diabolical actions when he had responsibility for the State Government Insurance Office. His actions caused an increase of \$100 over two years in third party insurance premiums. That represents an increase of about one-third of the cost of those premiums. That was a direct result of the actions taken by the person who is now the Leader of the Opposition.

I could discuss a whole raft of issues, such as unfair dismissal, that are the product of those opposite. I have read about the new relationship between the Leader of the Opposition and the union movement. We come back to the same argument: What will happen to subcontractors? Subcontractors constantly called into my office during the reign of the Labor Government. They did not want to be caught in the clutches of the union movement. However, we hear that the Leader of the Opposition is now tightening up his relationship with the union movement.

If members opposite are fortunate enough to get back into government, what will happen to the subcontractors? They are under dire threat. In the areas of commercial tenancies and retail trading hours, no party in this House has a better

record than the National Party. In the commercial tenancy area, no-one in this House has a better record than I have. The Bill of the member for Balcatta is basically a copy of the one I put forward in 1987.

Mr Catania: Why don't you support it? Will you cross the floor?

Mr TRENORDEN: I am well aware that several members want to speak on this Bill, so I will conclude my remarks. However, I do not believe the leopards opposite have changed their spots.

MR BOARD (Jandakot) [9.38 pm]: I cannot let the opportunity pass to put forward a few comments on this debate. Small business goes to the very heart of Western Australia. In fact, Western Australia is known for having a greater percentage of small business than any other State in Australia. From our foundation, small business has been an active and vital part of the growth of this State, and will continue to be so. We are seeing unprecedented rates of growth in small business, and I applaud that. However, the growth in small business is greater than our population growth and although I encourage and acknowledge that, it does create difficulties in competition for some areas of small business.

The one that I will highlight, and the one to which the member for Balcatta and the Leader of the Opposition referred in the main, is the retail sector which, in part, is finding it tougher than it did some years ago. There are a number of reasons for that. We must look at the changing nature of small business in Western Australia.

Before I talk about the advantages for small business in Western Australia of what is happening in the resources sector, I will touch briefly on the nature and changing environment of small business. I am reasonably heavily involved in my local chamber of commerce, and over the years I have witnessed the changing nature of small business in my local area. That is a reflection of the changing nature of small business in Western Australia overall, particularly in the city of Perth. There is no doubt that many more people are entering the small business field, many of them for the first time, and in some cases for reasons other than what people consider to be the norm. A greater number of people are now leaving paid employment and taking early retirement in order to go into small business for the first time. Some of those people want to supplement their pension or superannuation; others want to test their hand or their skills in an area that they have always wanted to enter but for some reason have never had the opportunity, but with retirement and superannuation benefits they now find themselves with the resources to do that. A number of people are leaving the protection of the small business in which they are employed to start a small business of their own. My local chamber of commerce is a reflection of that, because we are seeing a vast number of people who have the confidence to test their hand in small business, having learnt the trade from their previous employer.

An increasing number of young people are entering small business, and I encourage that. That is a reflection of the operations of TAFE and our Education Department, and the increasing confidence of younger people. A second and third generation of small business people in Western Australia are starting to go into small business at a much younger age, and many of them are thinking very laterally about the way in which they conduct that business. The advent of the computer has led to the establishment of many home based businesses, which have lower overheads, and to people entering small businesses or being self-employed who had not considered it previously.

Franchising is occurring at an unprecedented rate. We have only to cast our minds back to when we were children to realise we certainly did not see the large franchise outfits, particularly in the food retailing sector, that we see in Western Australia today. For example, who would have imagined the proliferation of McDonald's, Pizza Hut and Kentucky Fried Chicken? Many of the fast food outlets, whether they be hot bread shops, cheese cake shops or delis, are franchised. People in the franchising world are protected from some of the issues that have been raised in this debate. Many people now feel confident to compete in an area in which they do not have a great deal of experience because they have the protection of a larger group that looks after the bulk buying, the management, the accounting, to a certain degree, and the advertising.

The nature of our community is changing. Multiculturalism is bringing into Western Australia people of many different nationalities and cultures, and I acknowledge and support that. It is also bringing in a larger number of people who are prepared to test their hand in small business. It would come as no surprise to anyone in this House that a large number of the people who enter this great State of ours from overseas find themselves in small business, some because they find it difficult to gain employment on the open market, and others because their background, whether it be rural or small manufacturing, makes it easier for them to provide a livelihood for their families and children in the small business sector.

The nature of our planning process is also drawing to Western Australia a greater number of small businesses, particularly in the retail sector. The passion of Western Australians for their 700 square metre blocks and the urban sprawl in Perth has led to a larger number of small shopping centres than would normally be the case for a population

of this size. I imagine that the ratio of small retail shops to population in Perth is higher than in any other capital city in Australia. Many people are prepared, because of that urban development, to test their hand in a growing area.

It is remarkable that with all those factors - retirement, younger people, franchising, the changing nature of our community, and urban sprawl - there has been a decline in the number of bankruptcies in small business in comparison with the expansion of small business over the past few years. That demonstrates the courage and tenacity of the people who go into small business and their preparedness to make it work. It is important that we acknowledge that those people are the backbone of Western Australia and will continue to supply the majority of jobs in the service and retail sectors of our economy, particularly for young people who do not, for some reason or other, find themselves in the tertiary or university education stream.

One of the issues that was touched on by the member for Balcatta and also the Leader of the Opposition was that people are no longer spending as much money as they were previously. I want to reflect on the reason for that, as we have acknowledged in our local area, and as I imagine is the situation throughout Perth and Western Australia. It would come as no surprise to members that the majority of people in Western Australia are upgrading their housing status. To that extent, the majority of the people that I know have, in one way or another, found themselves in either more expensive or bigger housing, and have had to take out larger loans. As a result, the amount of disposable income which is available is smaller than it was 10 years ago. Another factor is that an increasing number of people are choosing to send their children to private schools. While we acknowledge the excellence of our Education Department, we also acknowledge that most of the growth in the primary school sector in Western Australia has come through the independent school system. That system has a cost, and in my electorate a large number of people are now finding themselves with much higher education costs than they had some years ago. The greater commitment to more expensive housing and to the independent school sector is having an effect on the disposable income that would normally be available to the small business sector.

I want to talk also about the changing way in which people are spending their money. It would come as no great surprise to members that more money is being spent on entertainment and travel, and, to some extent, on gambling. Those three areas are showing great growth in Western Australia. That growth is at the expense of what would be considered traditional retail spending. People are not spending as much money as they have in previous years on clothing and footwear and in the traditional areas in the retail sector. The importation of clothing and sporting goods, particularly from the Asian sector, which is increasing in volume, is having an effect on local manufacturers, distribution companies and small warehouses in Western Australia. As a result, we are seeing a decline in retail spending in those shops. All in all, with the greatest respect for opposition members, they have not done their homework with regard to the real effect on small business. It is encouraging that many people have entered small businesses in Western Australia, which, in the cliché of California in America, is the State of enterprise and opportunity. I encourage and endorse that attitude. I came to Western Australia and went into small business as a result of those factors. However, businesses are facing greater competition and a change in the way people spend their disposable dollars.

I will not cover the areas referred to by other members on this side of the House when talking about the positive things this Government has done. However, it must be said that the biggest single thing this Government has done for the small business sector is provide for workplace agreements. They give people working in the small business sector the opportunity to negotiate with their employees, and reach agreements that suit not only the employees but also the employers by making their small business more flexible and competitive in the marketplace. There is no doubt that workplace agreements are the saviour of many small businesses. Some years ago small businesses were hamstrung by outdated awards which, by the structure of penalty rates, made it prohibitive for employers to pay employees to work outside the normal working hours. Those awards acted as a disincentive for small businesses to produce goods or open outside normal working hours. The advent of workplace agreements has created that flexibility, with more opportunities and jobs. They give small businesses an opportunity to compete against the large business sector, which has been taking an increasing percentage of the retail dollar in Western Australia.

I support the amendment proposed by the Minister for Small Business. I congratulate the small business sector in Western Australia, and I am sure it will continue to grow. I hope that as a result of continuing government policies this sector will become more fruitful and the bottom line will improve.

MRS PARKER (Helena - Parliamentary Secretary) [9.54 pm]: I support the amendment and add my comments to those of my colleagues on this side of the House. I reinforce for the record the hypocrisy of the Australian Labor Party on the issue of small business. The member for Avon hit the nail on the head when he asked whether the leopard had changed its spots. Certainly the previous Government had a woeful record of destruction during its term of office in this State. It has taken some effort to turn around the economic situation in this State so that it is again a place in which people have an opportunity to own and run a small business. Small business is not only the backbone of the economy and the employment sector, but also the essence of the Western Australian community.

It has taken some time for this Government to set the finances straight to provide an environment in which small businesses may not only survive, but also thrive. These things cannot be done overnight. When people ask why the recovery has not been instant, they must be reminded of the pillage that occurred under the former Government and the distressing level of debt with which this Government was left to deal. In the three and a half years this Government has been in office, Western Australia has improved from having the highest unemployment rate to having the lowest unemployment rate in the country. A number of areas in this State had been seriously neglected over a long period. I refer to such matters as maintenance in schools. The Government had a great deal of work to catch up on before it was on a level footing in that area.

Although the Government would have liked the small business sector to turn around quickly and to flourish even sooner, that has not been the case. It is to the credit of the Premier and the Cabinet that benefits have been forthcoming in this area. We must bear in mind that for much of the time this Government has been in office it has been dealing with an uncooperative Federal Government, which made, for example, road funding extremely difficult. Before the present Federal Government came to office, this State Government had to assume responsibility for these matters because it wanted this State serviced to an acceptable level. Therefore, it had to fund areas for which the Federal Government was responsible but for which it failed to provide funds.

The recovery time has been long and painful and I am certainly aware that small businesses are hurting. I welcome the opportunity to debate the plight of small business people in this State at the moment. Certainly there is a problem with confidence and I do not think anyone in this place questions that. When people have suffered extreme financial pain that has eventually affected them and their families emotionally and personally, as many did in the 1980s and 1990s, it takes a long time to re-establish their position. They must work their way through the debts and losses, try to consolidate their position and then have confidence that the time is right to step into an area of risk. I refer to risk which includes market research and all the other factors that must be considered in small business. It takes a while for people's confidence to be restored, and that is part of the problem at the moment. I believe 1997 will see a return of confidence. The unemployment, inflation and interest rates are low. That is a wonderful combination. Added to that are the resource sector boom and the trickle down effect of that boom. Of course, the Government would prefer to have had an impact across all sectors of industry, particularly in the southern part of the State and the Perth region. That has happened in some instances. I spoke recently to a steel supplier who said that if he could supply 10 or 11 tonnes of steel a week, he would be happy, and presently he can supply 100 tonnes of steel a week without any extra effort. He is enjoying the benefits of that boom and those benefits will flow. The recovery has taken a long time. Anyone who has been hurt financially in small business will know that it is a painful process and that it takes a while to rebuild confidence. The Australian Labor Party's hypocrisy in criticising and raising the level of fear to a great height in this debate and even during the previous federal election when the GST was proposed is typical.

I would like to speak on trading hours, but I am mindful of the time. I therefore seek leave to continue my remarks at a later date.

[Leave granted for speech to be continued.]

Debate thus adjourned.

SKELETON WEED AND RESISTANT GRAIN INSECTS (ERADICATION FUNDS) AMENDMENT BILL

Second Reading

Resumed from an earlier stage of the sitting.

MR GRILL (Eyre) [10.01 pm]: I thank members for the opportunity to address this Bill once again. I said earlier today that the *angustifolius* species of lupin, which is not particularly affected by anthracnose, is worth possibly \$250m to this State. Although this species is not greatly affected by anthracnose it is affected to some degree and there is real concern among farming circles that *angustifolius* could be affected as time goes on to the same extent as the *albus* variety of lupin.

The extent of the spread of anthracnose in Western Australia is fairly significant. Only a week or so ago it was thought that approximately 3 000 hectares had been affected. This week it has increased to approximately 5 000 ha. Outbreaks have occurred as far south as Coorow and Bencubbin. The full extent of the outbreak of anthracnose is probably not even now fully known. It could be further south than originally thought. That has given rise to some theories about the way in which the disease is spread. A great deal of work must be done on that because at this stage it is an unknown. When the outbreak was first discovered in Western Australia - fairly recently, about the beginning of September - it was thought it must have been recently introduced into the State and that our quarantine measures were deficient. I understand that, given the widespread nature of the outbreak of anthracnose, there has been rethinking on the subject. It is possible that the disease could have been here for quite some time.

The Minister may share with us his knowledge of the up to date thinking on that subject and the research he would like to see in place to deal with the many unknown questions about the entry of this disease into Western Australia, the way it is spread and the possible effects it may have on the major species of lupin in Western Australia, such as *angustifolius*. They are critical areas of research and I would like to hear from the Minister that he is assured that the research is taking place in those areas, that it is properly funded and that we are likely to see some results from that research in the future.

This legislation will have general application. It does not relate strictly to lupins or anthracnose, although a fund will be set up as a result of this legislation which will deal specifically with lupins and anthracnose. It is contemplated that similar funds of this type will be established as time goes on in the event that crops within Western Australia are affected by other exotic diseases.

I think I commented at the commencement of my speech that perhaps this sort of general legislation should have been put in place a long time ago as a form of insurance. We do not have the appropriate legislation in place and we do not have the funds. Although the disease, I hope, is being properly followed up and eradicated in Western Australia now, the fund is not available and we have had to resort to other measures to ensure that compensation is paid for destroyed crops.

In the present instance of this outbreak the Grain Pool appears to have come to the rescue. It is prepared to put in place the funding to ensure that eradication of the disease goes ahead and that farmers are compensated for their loss. The Minister's second reading speech puts it in these terms -

The Grain Pool of Western Australia has agreed to collect this voluntary levy from harvest payments on lupins delivered to the 1996-97 season pool as well on lupins sold under permit. Eligibility for, and levels of, assistance to be paid under this voluntary scheme to affected growers will be determined by an industry committee specifically established for the task.

In addition, there is a need for a fund to be established legislatively to ensure Grain Pool advances are repaid, and to cater for future situations that may require a similar response to ensure the control of plant diseases in the grain industries.

I focus on the words, "to ensure Grain Pool advances are repaid". To whom will the money be repaid? If, as I have quoted, the money is to be collected by a voluntary levy from the growers, are we then to assume that it will be repaid to the growers or to the Grain Pool? In the event that it is the Grain Pool, will it repatriate the money to the affected growers?

I believe the measures being taken to eradicate the disease include destruction of the crop, ploughing of the fields after destruction, possibly the destruction of the seeds held in store and, in due course, possibly even the destruction of grain. I do not know whether that will be the case. When I was briefed on the matter this morning I was told there possibly may not be any grain as a result of the present crops and there may not be the necessity to destroy any grain. Nonetheless, it is one of the eventualities that must be taken into account.

The Opposition supports the ban on the importation of the albus lupin species. Does that ban apply only to the albus species or is it wider?

Mr House: Just the albus species.

Mr GRILL: Will the Minister advise whether there will be a complete moratorium on the growing of the albus lupin species in this State in the future?

Mr House: A series of meetings were held with industry over the past few weeks. At the moment some consensus exists for a complete moratorium, and I think that is the view that will prevail. However, that is by no means a locked away position at this stage. That industry group will meet tomorrow for more discussions. The idea is to impose a moratorium, while we discuss some of the issues the member has raised in debate.

Mr GRILL: Are any efforts being made to breed further lupin varieties that resist anthracnose?

Mr House: Agriculture Western Australia and the Grains Research and Development Corporation have held discussions about how that might proceed in the future. I am not technically competent to say whether that is possible.

Mr GRILL: The actions being taken to eradicate the disease in Western Australia at present are being taken under the Plant Diseases Act. However, that Act has no provisions to impose a levy or to raise funds to pay for that eradication or to compensate the affected growers; the provision to levy growers is contained in the Bill before us tonight. I understand that is the vehicle that can best be used to set up the fund and to levy producers. The

department will use two pieces of legislation in an endeavour to eradicate anthracnose from Western Australia. We wish it luck in that endeavour. The Bill will amend section 4(2) of the Act so the Minister can designate the disease. Having done that the Minister will designate a crop year under an amendment proposed to section 9. Then the amendment to section 9(2)(d) will require that a levy be raised for the specific purpose of eradicating that designated disease for that designated crop in that designated year.

The Minister has set in place expert committees made up of members of the agriculture community to advise him on the raising of that levy. Will the Minister give us some idea of the nature of the levy; how it might be struck; and whether he has any information about the formula that might be adopted? That would be of interest to the Parliament and no doubt to the growers. The Minister has underlined in his second reading speech that any fund set up by this legislation will be a discrete fund and will be isolated from the other funds that could be raised under the Skeleton Weed and Resistant Grain Insects (Eradication Funds) Act. That is proper. As particular growers of particular crops in particular years will be levied it is essential that those funds are not mixed but are discrete and isolated from each other, and that their designated use is absolutely clear.

There is some urgency with this legislation. The Opposition does not want to hold it up. We support the legislation and wish it a speedy passage through this House and the other place.

Mr House: When the member for Eyre asked me whether the ban on the importation of lupins was only for the albus species, my response was incorrect. The ban is on the importation of all lupins into Australia. At this stage the federal Minister has banned the importation of all lupins, so that some assessment can be made of exactly where we are with this disease. I apologise for my mistake.

Mr GRILL: I am pleased that the Minister has clarified that point. It is interesting that he has the cooperation of the federal Minister. The Opposition strongly supports the legislation.

MR HOUSE (Stirling - Minister for Primary Industry) [10.17 pm]: I thank the member for Eyre for his cooperation with this legislation. As he rightly pointed out when he began speaking earlier in the day, this legislation has been hurried into the Parliament at the request of the industry, because it faces a serious crisis with this disease. The industry had confidence in the Government and other members of Parliament to act swiftly to at least put in place a fund that would compensate those growers who were forced to destroy their crops in order to protect the greater good of the industry. That is a pretty fair summary. There has been a great deal of cooperation by industry on this issue. Industry has driven this very much itself. At no stage did anyone in the industry, in the main grower organisations, or individuals, come to the Government or to me and ask for any assistance other than to put in place a mechanism to levy themselves and distribute what they thought was a fair and reasonable compensation for having to destroy their crops. I commend the industry for that. It is good to see industry members in agriculture taking charge of their own destiny.

The basis of this fund, in the first instance, is a voluntary levy among lupin growers. However, it was my view and the view of some of the other senior members of industry that we needed a backup to that position, and the amendments to the Act are that backup. The amendments to the Act will enable the Government to place a levy on growers that will be distributed as needs be if there is a shortfall in the voluntary levy that growers apply to themselves.

As the member for Eyre correctly pointed out, approximately 40 outbreaks have been confirmed. We believe if the weather had not changed, the disease could have spread further and more outbreaks would have occurred. In many instances quick action was necessary and I commend the growers who were prepared to take that action, albeit at the time there was no formal mechanism in place to assist them. However, they took the action and this Parliament is showing due regard for what they did by debating this Bill.

The member for Eyre referred to the quarantine issues. There is no question that in some cases the quarantine inspection service breaks down. It appears that could have been the case with the introduction of anthracnose disease into Australia. It is not the first time that the quarantine inspection service has been found wanting. It is beholden on the Government and me, as the Minister, to make sure that the best possible process is in place to ensure these sorts of things do not happen in the future. Quarantine is a federal issue, but the State administers many of the services. Therefore, this Government must ensure that adequate funding is available to provide a good inspection service.

I understand that anthracnose disease appeared in Western Australia some years ago and reappeared in 1994. All the necessary steps were taken and it was thought that the disease had been eradicated. Agriculture Western Australia and the people in the industry were surprised when it reappeared this year and we are in the process of trying to establish how that occurred. We must determine whether it was a follow-up from 1994 or a reintroduction of an affected seed. The disease is spread by the seed to surrounding crops. It is absolutely essential that in the

forthcoming year a strict code of practice is adhered to with the harvesting of all albus lupin crops. We must make sure that all the seed goes to one or two key points where we can make absolutely certain that it is not used on farming properties for feed or seed. How that is done will be the subject of debate over the coming weeks.

Anthrax disease was found on angustifolius lupins and that is of serious concern. These lupins are the prime lupins in Western Australia and the industry is worth approximately \$200m to this State. If the disease spreads, it will create a problem because farmers will be denied the opportunity to plant those lupins, which have become part of the agronomic practice in many parts of the wheatbelt. If farmers were not able to plant these lupins, major changes would be required to many farming properties.

The Government's view is that there should be a moratorium on any planting of albus lupins next year and an assessment will be made during the year to determine what should be done in the following years. I strongly urge farmers to cooperate with this proposal because it is a large industry and it is too important to Western Australia for farmers to take risks.

The member for Eyre asked a specific question about the levy. At the moment we have to find about \$1m-worth of compensation. This State produces between 850 000 tonnes and one million tonnes; therefore, in round figures, it would be approximately \$1 a tonne provided we did not have any further outbreaks. That is the situation this year and if the fund had to be triggered in the future for a specific purpose, a decision would be made based on the amount of money required to be raised.

I have given a clear indication to industry that it would not be done unilaterally, but in consultation with industry. I indicated earlier that the industry had adopted a very mature response to this outbreak and I am sure it would do the same in the future if it recurred.

The next meeting of the industry is scheduled for tomorrow. Discussion will take place on how the levy will be paid and how much it should be. We must determine whether it will be paid on a per hectare basis or a potential yield basis.

Mr Grill: I do not understand the question about the repayment. Is it a repayment to the Grain Pool or to farmers?

Mr HOUSE: We needed a pool of money which could be used immediately. Harvesting started this week in the northern wheatbelt area. The Grain Pool has some reserve funds and the idea was to use them as the source for the pool of money. If the cheques were drawn on that fund, the compensation or voluntary levy would be paid into the Grain Pool to compensate it for the money it had paid out. Money could have been used from Treasury, but it was considered that the Grain Pool's reserve funds would keep us within the industry framework.

Mr Grill: The second reading speech is not very clear in that area and I am glad that you have cleared it up.

Mr HOUSE: I thank the member for Eyre for his support of the Bill and I assure the House that the industry will appreciate this Bill being passed as quickly as possible.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chairman of Committees (Mr Day) in the Chair; Mr House (Minister for Primary Industry) in charge of the Bill.

Clauses 1 to 8 put and passed.

Clause 9: Section 9 amended -

Mr HOUSE: I apologise to the Chamber for moving amendments to this legislation. It is not a practice I condone. However, the legislation was drawn up in haste to answer an industry crisis and in double checking the Bill it was found that minor amendments were necessary. I move-

Page 9, line 17 - To insert before "bag was contaminated" the word "destroyed".

Page 11, line 5 - To insert after "or seed" the words "of the relevant kind".

Amendments put and passed.

Clause, as amended, put and passed.

Clauses 10 to 12 put and passed.

New clause 13 -

Page 13, line 18 - To add after clause 12 the following new clause to stand as clause 13 -

13. (1) Section 34D (1) of the *Bulk Handling Act 1967** is amended by -

- (2) Section 51 (1) (aa) of the *Bulk Handling Act 1967** is amended by deleting "*Skeleton Weed and Resistant Grain Insects (Eradication Funds) Act 1974*" and substituting the following -

[*Reprinted as at 13 September 1993.]

Title put and passed.

Bill reported, with amendments.

FIREARMS AMENDMENT BILL.

Second Reading

Resumed from 15 October.

MR PENDAL (South Perth) [10.34 pm]: I support the Bill and congratulate the Government for in the main having had the resolve to stick with the outcome of the Australasian police Ministers' Council in May of this year, albeit that some variation to that agreement has been made by various jurisdictions around Australia. Not a lot rests on that variation, which is inevitable within a robust federation.

One of the comments made in the course of yesterday's debate with which I agree came from the member for Pilbara. As I recall, he said that at no time in the history of Western Australia, either before or since responsible government in 1890, have firearms not been subjected to some form of control, either by the Governor prior to responsible government or subsequently. That brought some level of rationality to the whole debate. In effect, it means that we today, indeed, as we have been for many decades, are dealing not with the question of whether we should have firearms control, but the degree of that control.

I congratulate the Minister for Police as he has set an excellent lead for his Cabinet colleagues in the way in which the Bill has been formatted before the House. It is often difficult if one does not have access to so-called expert advice and opinion to follow the contents of a Bill, particularly a complex one. In this case, we have the 1973 version of the Firearms Act produced as a Blue Paper, the format of which indicates clearly the matters we will be deleting from and adding to the principal Act. For ease of reading and understanding, it surpasses anything I have seen in the House in the past three and a half years.

On behalf of a constituent, I raise a matter I have raised in correspondence with the Minister. I know it is something more appropriately dealt with in the detail of Committee, but I refer in passing to the proposal contained in clause 22(a)(ii). That proposal envisages that the person in possession of the firearm shall at all times carry a licence. In the absence of that licence, and on being stopped by police, that person opens himself or herself to a penalty of \$1 000. It was put to me that this was a fairly odious provision because it went beyond, for example, a similar provision of the Road Traffic Act. I was told that if one is stopped by the police and asked to produce one's driver's licence which is left at home, one has a period in which to produce that licence to the police. I thought that that was

the case when the constituent brought the apparent anomaly to my attention. Therefore, I thought about bringing the provision of the Firearms Act into line with the Road Traffic Act in that regard; that is, to give some leniency or time in which people may produce the licence to the relevant authority.

In fact, when I consulted the contents of the Road Traffic Act, I found that both my constituent and I had the wrong assumption: The Road Traffic Act requires one to produce one's licence forthwith, a provision similar to that to be demanded of a person in physical possession of the firearm. That person is required to keep the extract of the licence in his or her possession at all times. Therefore, that effectively decided I should not proceed with any amendment. However, it is worth drawing to the Minister's attention that the discrepancy between the penalty applied in the case of the Road Traffic Act for not carrying a licence and the penalty proposed to be applied in the case of the Firearms Act is out of kilter to the tune of 10 to one. It appears to be a little on the onerous side that a person should be required to pay a penalty of \$1 000 if he is unable to produce on request his firearms licence to a member of the Police Service, when the penalty provided by the same Parliament for failing to produce one's licence for a motor vehicle is \$100. I would be interested to hear from the Minister why two Acts under his administration contain vastly different penalties.

I will also be interested to receive a reassurance of my understanding of the provision in proposed section 26 which relates to search warrants. I was told by one of my constituents that the provisions in this Bill in this respect would mean that a search warrant was not required in the case of police wanting to enter the home of a person believed to be harbouring illegal weapons. I was puzzled, because on checking proposed section 26, which appeared to be the offending provision in so far as this gun holder was concerned, I find it is the contrary. For example, my constituent informed me that the proposed changes to section 26 will extend excessive police powers in ways which are completely unwarranted and will lead to misuse. My constituent says that the police will be able to enter his or anyone's home without a warrant and take property, with no recourse or right to appeal that action. On the face of it, it appears to be a serious breach of one's civil liberties. However, on checking the Bill - unless I have misunderstood it - proposed section 26 makes it clear that where reasonable grounds exist for believing that evidence can be discovered for the offence, a justice of the peace may grant to a member of the Police Service a warrant to enter and search such a place for any firearms, ammunition or associated material. My reading of proposed section 26 is that the suggestion by my constituent that this is a draconian provision is not correct, and that a person very much has the protection of the law in that a justice of the peace must issue a warrant before the police can act in that way. Can the Minister respond?

Mr Wiese: You are right. The only change to the provision appears in clause 27(7). A police officer may enter a home without a warrant, but he must form an opinion that there is an immediate threat of harm being suffered by a person, and that any delay that would be involved in obtaining a warrant would be likely to increase the risk or extent of such harm. He must justify his actions to the Commissioner of Police.

Mr PENDAL: I thank the Minister for that assurance. Can the Minister indicate whether that power of entry in an emergency situation exists in other parts of our Statute law or whether we are breaking new ground in giving that power of entry in this limited circumstance?

Mr Wiese: This is not breaking new ground. It will provide a strong restriction on the officer, and require that if an officer exercises this power he must justify his actions and the reasons he undertook such entry. This will provide the accountability that has not existed in the past.

Mr PENDAL: I turn now to the proposal to appoint a firearms advisory committee under clause 6. This clause strikes me as odd. The firearms advisory board will consist of seven members. Its functions will be to consider and advise the Minister on matters relevant to the Act referred to it by the Minister. So far, so good. However, the clause then states that of the seven members appointed to the committee, one will be the Minister for Police. I do not know if these days we are allowed to say that sounds Irish to me, but if we are, it does sound Irish to me. In effect, we are proposing to load up the Minister for Police with responsibility that I thought he could do without. Also, we will put the Minister for Police in a situation where he will be part of a process of referring matters to himself for consideration. Not only will he refer matters to himself for consideration but also he will be asking himself for advice.

I emphasise that the functions of the firearms advisory committee under proposed section 5B(2)(a) will be to consider and advise the Minister on matters relevant to this Act referred to it by the Minister; and under proposed subsection (3) one of the members of the committee will be the Minister for Police. That does not make any sense to me. If the Minister wants to receive advice on matters to do with firearms policy and practice, he will be in a better position if he receives advice from all those people who are mentioned, but least of all should he want to involve himself in that process. Another element of concern is that the committee appears to be loaded in favour of the general bureaucracy. The Minister will be a member. His commissioner, whom he helps to appoint via the cabinet system, will be another member. The full membership is explained in new section 5B(3)(c) to (g). I suggest that the Minister

might even consider taking himself off that committee. I cannot imagine a Minister wanting to load himself or herself up with any sort of committee work. As I understand it, the Minister is responsible for the decision. He filters out all the advice that comes to him by way of, in this case, an advisory committee. Therefore, to be part of that committee in the first place, asking himself to give himself advice, seems to be a fairly circuitous way of handling the issue.

I do not think we are being particularly revolutionary by what we are doing. I suppose that reflects the fact that Western Australia is said to have had the most effective gun laws in Australia, even prior to the call for uniform national laws. A fair amount of emotional talk has been heard since the Port Arthur massacre about the way this legislation will adversely affect the rights of shooters in Western Australia. I have never had difficulty with the fact that people own firearms. I have never had difficulty with the notion that we should apply to them a variety of restrictions that ensure that their interests as shooters and the community's right to a maximum level of protection and security are both protected.

The law in Western Australia has generally found the right sort of balance without necessarily undermining too much the rights of the shooters. If as a result of Port Arthur the balance has shifted again in favour of the wider community, that is almost inevitable. I know that it is possible to overreact. I know that it is possible to place too much store on what, it is hoped, was one isolated incident. I can understand the anger of the thousands of responsible gun owners who are confronted with the call for more and more laws because a handful of people are irresponsible. However, the gun owners are not alone in that. That is the nature of parliamentary law making, albeit that it is a rather obnoxious thing.

Mr Trenorden: One of the most difficult things was to hear the number of city people on talkback programs calling country people virtual criminals because they wanted to own guns. That was distressing to a number of people.

Mr PENDAL: I had interviews with five or six constituents who wanted me to oppose the laws. In each case I suggested to them that that would not be my outcome. These were people who by virtue of what they were doing were indisputably the responsible ones. They were objecting to the fact that they were paying the penalty for a person's alleged massacre at Port Arthur six months ago. That is true; however, it is the same for the rest of us. Members should consider what Parliament has done in recent years with the drink driving laws. I have said time and time again that all those laws do is penalise responsible people and make it more difficult and onerous for them. They become more responsible and the people who were the cause of the more stringent laws in the first place - the minority - will continue to act irresponsibly as drink drivers. I deliver that message because it might give some comfort to the shooters to understand that, although it is true that we are exacting a higher penalty from them as responsible people, that is what tends to be done across the board, in not only this Parliament, but other Parliaments as well.

One of the arguments that was put to me recently by a constituent - it has some basis for its philosophy -

Mr Trenorden: Was this your North Toodyay constituency?

Mr PENDAL: No, this is the inner city constituency. That man spoke from a philosophical standpoint about the right to bear arms and the right for a community to be armed. He drew some interesting parallels. He said, for example, that if the people of France had been subject to strict gun control prior to their invasion by the Germans in early 1940, they might not have been able to mount the fierce resistance they did mount because they were gun owners. One might say that that is a very farfetched scenario in good old safe, secure Western Australia. However, that is probably what they thought in France prior to that aggressive invasion half a century ago. That man was mounting what in some cases would be considered a farfetched argument; however, it contained an element of truth and accuracy. It was a reminder that Parliaments should be careful about overreaction.

Notwithstanding my respect for his argument, I do not think the Government has overreacted. That is where I think the Government in Western Australia has got about right the new balance that had to be drawn as a result of Port Arthur, and drawn in Western Australia against other jurisdictions that were very lax. The extra restrictions that are being imposed will probably not badly affect responsible gun owners in the long run. A lot of emotion was whipped up, giving the impression that they would lose virtually all their rights to own and possess weapons. Once the emotion was taken out of the equation, most of those responsible gun owners in Western Australia realised that the legislation was not as onerous as they previously feared. I congratulate the Government on being able to strike that balance in a set of highly emotive circumstances. Members should make all due haste to see that these laws get onto the Statue book as quickly as possible. I support the Bill.

DR CONSTABLE (Floreat) [10.59 pm]: I will add some comments in support of this legislation. It is fair to say that if we had not had a tragedy at Port Arthur earlier in the year, members would not be debating this legislation. It is worth reflecting that for 10 years, prior to the Port Arthur tragedy, various Ministers for Police have gone to

ministerial councils with the aim of establishing uniformity of gun laws in this country. It took another tragedy of monumental proportions for us to get to the point of debating legislation that is part of a national scheme for some uniformity in this area. I am delighted to see it here. However, it is a great shame that we had to have such disaster and tragedy to bring us to this point.

After the Hoddle Street and Queen Street massacres in Melbourne, the National Committee on Violence was established, and reported in 1990. That report stated that no other subject which the committee has considered over the course of its inquiry has elicited such a degree of intense comment as has the proposal to restrict access to firearms. It said also that it has been estimated that there are 3.5 million firearms in Australia - one for every four Australians - and that it is beyond dispute that a majority of Australian shooters are responsible. However, the report said that any city dweller who ventures beyond outer suburbia cannot help but be struck by the ubiquity of bullet-ridden road signs; and 100 firearm homicides per year, a substantial proportion of them occurring in the family home, is too many. I am sure everyone agrees with that.

The report stated also that there is no doubt that a significant disarmament of the Australian public would save lives and prevent injury. Therefore, an estimated 3.5 million firearms in 1990 makes Australia per head of population second only to the United States of America in gun ownership. That is a frightening statistic. Later, the council's report stated that the committee believes that firearm ownership is a privilege, not a right. That has been one of the underlying themes of the argument in the community in recent months. Some people believe that to own a gun is a right and others see it as a privilege. Further, the report said that strict controls will impress upon the public that firearms are inherently dangerous. The council urged all Australians to accept that strong measures are needed to deal with the present incidence of gun fatalities and injuries in this country.

As well as the 100 deaths by homicides, between 600 and 700 Australians die every year from gunshot wounds. Accidents cause that many deaths, which is a huge number of people to die because of guns.

It is not surprising that research and observation confirm that the availability of guns increases the risk of violent death. At the gun control summit on 10 May, the federal Attorney General impressed upon the public the notion of gun ownership being a privilege. He also proposed 10 minimum requirements for effective gun control. Without going through all of those, it is fair to say the Bill has included those 10 requirements fairly substantially. That which has been proposed is sensible and necessary. The question can fairly be asked by Australians: Why did it take 10 years and a tragedy such as we saw at Port Arthur to get us to the point of having uniform gun laws in this country?

At the time of that summit and the early call for uniformity in gun laws, our Standing Committee on Uniform Legislation and Intergovernmental Agreements was swift in its support for such uniformity. It is interesting to look at the format of this uniform legislation and note that it is not rigid legislation. Not every jurisdiction has exactly the same legislation as we have seen in other uniform legislation. It is not a template. However, there is room for each jurisdiction to have its own legislation and to maintain control of its own legislation while taking into account the standards that have been set by the ministerial council. The legislation allows for some individuality and flexibility, but it retains in some substance the uniformity that is required to control the registration, licensing and minimum standards of safety and security of firearms and so on.

Mr Johnson: So it is complementary legislation?

Dr CONSTABLE: I am not sure that we would call it complementary. I think it is more mirror legislation than complementary. However, this uniform legislation shows that the States and Territories can get together to obtain a desired degree of uniformity without having to give up any of their powers. That is an important aspect of the structure of this legislation.

Since the Port Arthur tragedy, a number of surveys and opinion polls have sought the views of Australians on gun ownership and the banning of certain types of firearms. In general, the opinion polls since the Port Arthur shootings indicate that between 80 and 90 per cent of Australians support the banning of automatic and semiautomatic weapons. That is a major feature of this legislation. A recent survey conducted in New South Wales by the Department of Health indicated that 92 per cent of city dwellers and 80 per cent of country dwellers favoured tighter gun control. They are two of the more recent surveys. A survey was carried out by our Health Department in February; that is, before the Port Arthur tragedy. Those results are interesting to contemplate also. A total of 818 people were surveyed statewide by Donovan Research. It did a comparison between gun owners and non-gun owners. Some of those results are worth reporting tonight. Seventy-seven per cent of non-gun owners and 44 per cent of gun owners would like fewer people owning guns. This was before Port Arthur. Ninety-three per cent of non-gun owners and 91 per cent of gun owners supported restrictions on gun ownership. A very high percentage in both categories supported some restrictions in gun ownership. Ninety-eight per cent of non-owners and 99 per cent of owners supported firearms training courses for gun owners. Education is part of this legislation also. Ninety-four per cent of the non-owners and 75 per cent of owners supported laws that would make it more difficult to purchase guns in

Australia. I remind members that this survey was done before Port Arthur. There was support for tighter laws in both categories and this legislation reflects that survey.

Having uniformity in gun laws is perhaps a first step towards what is required to attack the growing culture of violence in this country. However, we must do more than that. We have to consider carefully the growing culture of violence and change attitudes in the community. That is harder to do than change legislation. The increasing violence in domestic situations has been well reported and does not warrant detailing tonight. However, it does bear mentioning. Every time I want to go to the building society at which I have an account at Floreat Forum I am reminded of violence in the community. It is not possible just to open the door of the building society and walk in. I have to knock on the door and wait for the teller to notice me. He or she then presses a buzzer, which unlocks the door for the customer, and the door locks again when one goes in. That building society has suffered so many armed holdups that that security is in place every day.

Last year 780 bank tellers across Australia were threatened in some way, taken hostage or injured in armed attacks. That is a large number of people who have suffered the trauma of being held up. Being traumatised that way is not something that people recover from easily.

Mr Johnson: Most criminals would be using illegal guns anyway.

Dr CONSTABLE: They might not all be using guns.

Mr Johnson: The legislation will not stop that happening. Illegal guns will always be sought by criminals.

Dr CONSTABLE: They may well be. The point is that not all those hold-ups involve guns. I am using them to illustrate the growing culture of violence in the community. The Pharmacy Guild of Australia estimates that 55 pharmacies in Perth which stay open after six o'clock use security guards and there were more hold-ups in Perth pharmacies in the first two months of this year than in the whole of last year. Those are three examples of the growing culture of violence and they are evidence of the increased violence in the community. The next step to take after passing this legislation, which I am sure we will be doing in the next few days, is to step back and look at the recommendations of the National Committee on Violence which reported in 1990. It is important that we look at responding as a community to that growing culture of violence and the preference that so many have for the use of violence to solve personal problems. The question of television and video violence is also raised often in the media. There is some dispute about the effect of that violence portrayed in the media on children and other people's behaviour. As well as changes to legislation we must have attitudinal change in the community.

I find it interesting that in my electorate only three people have been to see me to express concern about this legislation. The first was a collector of very old firearms. His interest is in firearms from the American Civil War. I wrote to the Minister about this, and I am satisfied that the legislation before us will protect the interests of that person. The second person felt he had an occupational need to have a firearm. He works in remote areas of the State, often alone. I encouraged him also to write to the Minister expressing his interests and needs early on in the public debate on this legislation. The third person was a recreational shooter who had considerable difficulties with the legislation. I know he has analysed it in great detail and is not satisfied with the Bill. Out of 23 000 electors only three felt the need to see me. I think I can safely assume from that that the vast majority of people in my electorate are supportive of the tightening up of gun laws and the legislation before us.

In conclusion, I commend the Minister for the presentation of this legislation. The form it was in made it very easy for us to analyse. It presents an example, which I hope we will see in other legislation. The Bill showed the current legislation, the amendments and their effect on the legislation. It was very easy to follow through as presented. With those comments I add my support to the legislation.

MR CATANIA (Balcatta) [11.15 pm]: I will speak on the legislation in a general sense because a number of speakers have examined the legislation in specific areas. I will then deal with an area which the Bill has not adequately addressed, which is the role of people in the use of firearms. I am not saying that that role cannot be addressed, and further amendments could address my concerns. Most speakers have referred to the fact that throughout Australia the debate on firearms has been long and emotional. Obviously the Port Arthur tragedy added to that emotion. Australia was for a time in the spotlight of the world. The debate on the ownership of firearms was the centrepiece of discussion. Australia has generally accepted that controls are required. Uniform legislation has been promoted. A national objective was set and now the States are fulfilling their responsibilities and that objective.

The consequences of the Port Arthur tragedy and the eventual agreement by the States to uniform legislation has polarised the community into a number of areas. The pro-gun lobby felt that its interests and rights were being compromised. It felt that law-abiding citizens were being blamed for the Tasmanian massacre. The sporting and recreational shooters thought that their position was being compromised. Farmers felt the necessity to have firearms and they also felt that their position was being compromised. The balance of the population agreed with some form

of uniform legislation and control. The State Governments were advised to move towards uniform legislation and to ensure that the needs of all those groups could be met, so that we did not develop in Australia the culture that exists in the United States of America, as has been stated by so many members of this House on various occasions. We must ensure that a different culture develops here as a result of our debate on the private ownership of firearms. To ensure that all those sections of the population might have their concerns addressed has been a very delicate balancing operation.

As I stated initially, some of the concerns have not been addressed. I will emphasise four main areas. The legislation does not emphasise the part played by people in the control and proper use of firearms. After all, if a firearm is laid on the table it does not do anyone any harm; a person must pick it up and use it. If we are to impose sanctions on the use of firearms, we must impose them on the people who are using them. Certain problem areas must be identified. We must ensure that the possession of firearms is the subject of strict conditions. Applicants for a licence and holders of gun licences who have criminal records for serious crime, such as convictions for assault, violent offences and trafficking in drugs, must have their use of guns restricted. The Bill should emphasise that people with a history of domestic violence or mental illness should not hold a firearm licence, and should be specifically excluded. No-one in this House or the general public would disagree with that.

The confidentiality provisions should include a formal requirement on police to check on applicants. That is slightly different from what is contained in the Bill. I will expand on that and give an analogy of a person who wants to drive a motor vehicle: A person does not purchase a motor vehicle before he sits for his driver's licence. This should be the accent on issuing a firearm licence. The Bill has failed to emphasise a person's fitness to hold a licence. The procedures for obtaining a licence should be more stringent. It has been suggested that prospective licence holders must apply for a permit so they can receive training on how to handle a firearm before a licence is issued. The Bill should place greater emphasis on the applicant's fitness to hold a licence. That definition should be expanded. It should deal with factors such as mental illness, criminal records, and domestic violence. The Bill is weak in that area.

Earlier in the year the Opposition released a discussion paper which suggested amendments to the Firearms Act. That discussion paper dealt more equitably with the issue of people applying for a licence than this legislation does. The whole object of the exercise in any legislation dealing with firearms is to reduce the number of illegal firearms in the community. The crime statistics show that in most instances of crimes involving firearms the firearms are obtained illegally. The Opposition's discussion paper provided for an inducement to members of the public to surrender their firearms, especially illegal firearms. Members will recall the public's encouraging reaction to police firearms amnesties. In many instances firearms brought to the police during amnesties were illegal firearms. We want to get our hands on those firearms. We can control firearms to a certain extent if a person holds a licence and the firearm is registered. However, the danger is that for every licensed firearm there is an illegal firearm. We should aim to have those firearms surrendered.

This Bill does not reward the law abiding citizen who voluntarily surrenders a firearm. By reward I mean that law abiding citizens should not have to go through the process or cost of reapplying for a firearm licence. By surrendering their firearms they have shown they are prepared to abide by the Statute. That provision will encourage more people to surrender their firearms. No thought has been given to that process. Under this legislation those citizens must go through the process and reapply for their licences. I would have thought that action should be rewarded, and they should not have to go through the process again because they have abided by the legislation. A basic flaw in the legislation is that it does not provide an encouragement factor. The Government needs to encourage people to surrender their firearms. The best way to encourage people is to reward them in some way, either by not imposing any financial burden on them or by not having to go through a compliance procedure. By surrendering their firearms they have already shown that they are prepared to abide by the process.

The emphasis of this legislation should be, firstly, to ensure that there are fewer firearms in the community, especially illegal firearms, and secondly, to encourage people who do not use their firearms to hand them in.

The emphasis of the Bill is wrong. I will repeat this point, because it is very important: The Bill should emphasise the suitability and fitness of people to hold firearms licences and to sell firearms. The Bill has a serious flaw; that is, the substantive Bill does not deal with important areas of the uniform firearms legislation. Regulations are at the discretion of the Minister. Allowing Ministers discretionary powers through regulation can cause enormous problems.

Mr Wiese: The Minister has no discretion. Regulations must be tabled in both Houses of Parliament. They are subject to disallowance on the motion of any person in either House of Parliament. There is far greater scrutiny than with normal legislation.

Mr CATANIA: The Minister has often said that in this House, but I do not agree with him. It is wrong to make substantial changes to regulations. If it is necessary to make substantial changes the relevant legislation should be amended accordingly. It comes down to the emphasis which is placed on the changes. I acknowledge that regulations

can be scrutinised. However, the real scrutiny should be done in this place. Changes can be easily hidden in regulations and members take very little care when it comes to scrutinising regulations.

A smart move in this Bill would be to provide some sort of reward to those people who comply with the law. Perhaps it is not too late for the Government to consider it. I said at the commencement of my remarks that this House should concentrate on people rather than the gun. Provisions should be put in place to ensure that people applying for a firearm licence are qualified to hold such a licence. If training precedes the police vetting procedures the lives of the training personnel and other members of the community will be put at risk.

I come back to the analogy of a motor vehicle licence or more appropriately a learner's permit. If I want to drive a car I must have a licence. I do not buy a car first and then get a licence. Under this legislation the process is that a person selects a firearm, submits to a training program, provides proof of genuine need, applies for a licence, after 28 days notifies the desire to proceed and obtains police clearance through criminal and domestic violence records. A check is then made to ensure that all these stages have been complied with, and finally the registration of firearm, which has on it a photograph of the licence holder, is issued. Therefore, a person will have access to a firearm during training or club competition and has the ability to use a firearm belonging to a shooters' club while he is awaiting completion of the procedure. In other words, people can actually select a firearm before the vetting takes place.

Mr Wiese: Can you name a driver who got his licence before driving a car?

Mr CATANIA: Does a person not train to drive?

Mr Wiese: It is exactly the same as going to a sporting club first and using a firearm in a training process.

Mr CATANIA: Without applying for a licence a person can go to a retailer and select a gun. He then goes to the police station. Is that not the process?

Mr Wiese: Not now.

Mr CATANIA: It is under this Bill. The legislation gives a person the ability to use a gun before he is trained to do so. A small amendment is required. The provision should be to issue a provisional shooter's permit to allow the prospective licence holder to undergo training. Such an amendment would strengthen the legislation. It simply states that a person must be trained before the licence is issued. It is an important issue. A permit would be issued only to those people who receive police clearances. In other words, a person would go through the procedure of training and having his identity checked before he is granted a permit. The lives of those people who provide the training and sell the firearms would not be put at risk. If a police clearance is obtained first, these people would be protected. It is the logical way to look at the situation. After the completion of the training in the category of firearm required, the applicant would receive a licence endorsed with that category. It would enable the person to use the firearm in the company of a firearm owner without having to purchase a firearm. Is that not a sensible suggestion? In effect, a person would be given a learner's permit to gain the experience and knowledge of guns. It is an acceptable suggestion and I cannot understand why the legislation cannot be amended to ensure that the process I have outlined becomes part of it.

Following these procedures a person could purchase a firearm and would then apply to have the firearm registered in his or her name. If the person's circumstances change and he sells the firearm he would continue to hold the licence to legally use a registered firearm in the company of the owner. If a person has a driver's licence and sells his vehicle, he retains the licence. The situation in both instances would be the same. The amendment I have foreshadowed would strengthen the training procedures and protect the retailers and the sporting organisations which will be called upon to provide the training.

The police vetting procedure should be undertaken before training is undertaken. If that is not the case, people could use a firearm indiscriminately. I have a couple of amendments on the Notice Paper, one of which relates to the disclosure by doctors. The disclosure states that if a doctor makes a decision that one of his patients is not a suitable person to hold a firearm licence he must report it to the Commissioner of Police. I do not have any problem with that, but my suggestion is that the medical practitioner must do that in good faith; in other words, not do it with malicious intent. There could be circumstances where medical practitioners might have a gripe against a particular person and might, with malicious intent, say that he or she is not a person able to hold a licence. The legal advice I have been given is that adding the words "in good faith" will provide that the medical practitioner does it in good faith and with a sense of honesty and good reason. I will move that amendment in Committee. It is very minor but it adds an element of accountability.

The other amendment relates to providing the option to people applying for licences to appear personally before a tribunal either with or without an advocate. Some people may be intimidated when coming before a stipendiary magistrate or a legal professional. Some might wish to be accompanied by an advocate, a legal practitioner or a

person with legal training. This provides some equity, although there is no intention to add costs to the whole process. There should always be a desire -

Mr Wiese: Do you think the lawyers will do it free?

Mr CATANIA: No, it is an option. Obviously people would choose -

Mr Wiese: If a person wanted a legal representative, surely they would go before the court and use the alternative?

Mr CATANIA: We must try to leave the gate open for a quick resolution. There could be experienced people able to act as advocates for licence applicants. It simply provides a choice.

The legislation has a couple of flaws. First, it does not deal specifically and clearly with the part that people play in the whole process, and that should be made clear. Secondly, we should investigate whether a person has the ability to use a firearm before they receive training. The 100-point check and the investigation by police into a person's criminal record should be done and a learner's permit issued before a training program is begun or a licence issued. That is very important because it puts the emphasis back on the suitability of the applicant. Thirdly, the Government has not been smart enough to realise that people would react to the legislation more positively if there were some reward for those who abide by the law and who surrender their guns. We would encourage more people to do that if there were some reward, such as the elimination of some of the processing costs.

MR GRILL (Eyre) [11.43 pm]: I am bound by a majority decision of Caucus and my oath to the party to support this legislation. If I were not bound by such a decision and oath, I would not support it. It is authoritarian and counterproductive. It will not produce the results that many members on the other side hope it will.

The Labor Party supports this legislation on the basis of two principles. First, we should have uniform gun legislation across Australia. I can understand that and I support it. It is the nature of the legislation that concerns me. Secondly, we should not have a gun culture in Australia and there should be greater restrictions on the number of guns in our society. That goal is worthy of support, but I do not support this legislation. The second principle - namely, the goal of reducing the number of guns in our society - is likely to be counterproductive. Authoritarian legislation of this type will not be adhered to by Australians; Australians have always reacted against authoritarian law. People who have until this time been law abiding gun owners will not go along with this legislation. Without their cooperation none of the goals sought by the federal coalition will be achieved. The goals set by John Howard might be altruistic, but the federal coalition has a responsibility to introduce legislation that will be effective. This legislation will be counterproductive.

John Howard drew many analogies between the United States and Australia when introducing this legislation. He incorrectly raised the spectre that Australia would go down the same road that the United States has gone down in respect of gun ownership and misuse. The figures do not bear that out; that spectre is dishonest. Any analysis of the figures in Australia in relation to gun deaths indicates quite clearly that we are not going down that road. The analogy is dishonest.

This legislation was born out of a very emotional atmosphere in Australia as a result of the shootings in Tasmania and opportunism by John Howard, who wished to make a mark for himself. As I said, it is incumbent upon the Federal Government to introduce effective legislation, and it is incumbent upon this Parliament to do the same.

Mr Day interjected.

Mr GRILL: Legislation born out of an emotionally charged atmosphere like that is unlikely to be effective. He has overreacted and taken advantage of that situation.

This State has previously introduced reasonable and sensible gun legislation. In doing that we have taken the gun owning population along with us. When restricting the number of guns and preventing their misuse it is critical that we do that. All the indications are that that will not happen in this case; the public will react badly to this legislation.

Hon Mark Nevill and I went to the United States earlier this year and investigated a number of issues. We have a friend who is a very senior officer in the Alcohol, Tobacco and Firearms Agency. For those who do not know what it is, that is the arm of the American Treasury to which Eliot Ness belonged. We went through their gun legislation and the measures recently passed to outlaw assault rifles, and we discussed at some length with senior officers the problems they have with gun ownership and misuse in the United States. They confirmed to us that the problem in the United States was out of control. No analogy comparing the US with Australia can be made. The most important point they made was they have few problems with licensed guns, but they have immense problems with unlicensed guns. Therein lies the problem with this legislation.

In Western Australian, because of the reasonableness of the legislation we have been prepared to enact, and the way we have approached gun use restrictions, we have been able to engender in the gun owning population a spirit of cooperation. We have consulted them with legislation, and they have been prepared to go along with the legislation brought down. We have had periodic moratoriums during which guns which are not registered can be handed in.

It is most unlikely that guns will be surrendered as a result of the enactment of this legislation. In fact, the members of the gun owning population to whom I speak - I have spoken to quite a few of them over recent weeks - all indicate to me that guns are now being concealed, and that they are buying the sort of equipment and material which will allow the guns to be buried in waterproof containers in the ground where they will be concealed out of the reach of law officers.

In Western Australia, as a result of the reasonableness of our legislation, we probably have the best situation in relation to gun ownership in the whole of Australia. My understanding is that our ratio between licensed and unlicensed guns is about 1:1. That estimate is made by our Police Force. They are fairly accurate and learned estimates regarding legal ownership, which we know through registration, and illegal ownership. The estimated ratios in several of the other States are much higher.

Mr Trenorden: Ten to one.

Mr GRILL: Indeed. The challenge lies in getting the unlicensed guns out of circulation. This legislation does not address that challenge. In fact, it exacerbates the situation. It gives every incentive for a gun owner to conceal an unlicensed gun. The Bill will create a black market in unlicensed guns, just as a huge black market has been created in the United States for unlicensed guns. It is a counterproductive piece of legislation, which will not bring about the goals John Howard and his supporters believe it will achieve.

Although I must vote for the legislation, I would like to oppose it because it is essentially authoritarian. The Green Paper which was distributed with the first draft of the legislation indicated that the measure was likely to confiscate a whole array of civil liberties from gun owners in this State, and in so doing confiscate them from non-gun owners. It would have enabled the provision of search warrants on people's premises merely upon the suspicion of gun ownership. The Government was prepared to go down that path. It has backed off to some degree from such proposals; nevertheless, it was a path along which the Government was prepared to travel. To some extent, it has travelled down that road because it knows that this legislation to a large extent is unworkable without authoritarian regulations and powers ending up in the hands of the Police Force. The legislation as it stands is unworkable, therefore we will see an exacerbation of the situation in respect of unlicensed guns in our society.

I would like to oppose the Bill for many other reasons, one of which relates to the general nature of gun owners in this State. If members go to the United Kingdom and other parts of Europe, they will find that shooting is an upper class sport. That is mainly because the land on which the shooting is done is owned by the aristocracy or upper-middle class. In Australia, for a variety of reasons, including access to land on which to hunt, shooting by and large is a working class sport carried on by ordinary people in our society.

Mrs Parker: It is not only working class; the middle class are involved.

Mr GRILL: I did not exclude the middle class. I said that the majority of shooters, and most of the ones I know, are working class. It is a far cry from the situation in Europe and other parts of world where access to land is limited. On that basis, the Labor Party should be thinking twice about endorsing legislation which discriminates against that class of people.

Gun owners in the past and their representatives in the associations have always espoused the cause of licensing the shooter rather than the weapon itself. I do not embrace that cause entirely. However, a lot can be said for that view. In the United States recently President Clinton decided to go down that path. In part, it is something we should be prepared to endorse, and this legislation goes partly down that track. To that extent, the powers to take away guns from people when it is considered that they are unsuitable owners of firearms needs to be exercised with great discretion and care and without malice. I say to the Minister that as the legislation is now drafted, and given the power to be given to some medical practitioners, he cannot rule out those powers being used maliciously. Some amendment should be made to the legislation in due course so that the power will not be used in a malicious way against lawful gun owners.

While considering lawful gun owners, if I had been given an option I would oppose this legislation because it denigrates a whole range of law abiding citizens in Western Australia whose sport is shooting in one form or another. An extensive campaign has been run basically by an antigun lobby supported by the coalition at a federal level at least. This campaign has denigrated gun owners as antisocial people, which they are not. They should not be denigrated and attacked as has occurred over the past several months. It has been done in the emotionally charged atmosphere of those unfortunate shootings in Tasmania.

Mr Day: What about your leader, Kim Beazley?

Mr GRILL: As I say, I would prefer not to support this legislation, which was born from that emotionally charged situation and the rhetoric that went with it. I have looked at the statistics relating to gun deaths and suicides in this country. Any objective analysis of those figures indicates fairly clearly that not only are gun deaths falling in absolute and relative terms but also this legislation will not improve that situation.

I will support this legislation. I am bound to do that, as are my colleagues on this side of the House. We are bound by the majority vote of our Caucus and by the oath that we made to our party some time ago. However, I would rather not be supporting the legislation. I do not believe many people on the other side of this Chamber support this sort of authoritarian legislation and atmosphere that is being whipped up at a federal level.

MR TRENORDEN (Avon) [12.01 am]: The speech to which I have just listened was most interesting. I have a fair amount of sympathy for much of what the member for Eyre said. This has been a very divisive debate right from day one. People have telephoned my office constantly and letters have poured into my office. I was very conscious of the arguments put forward by the haves, by comparison with those of the have-nots. It is very easy for people to say that they will give up something they do not have. A large percentage of the population was happily debating that it would give up something that it never had, never intended to have and had no use for.

In the public debate, in the media debate and on talkback radio programs people who had guns were painted as being within the shady element of society. The fact that they owned firearms somehow made them less responsible citizens than those who did not.

Statements about blood in the streets were made in the media by those who were violently against the legislation. However, statements that were just as poor came from people who were strongly in support of the position of the Prime Minister. At one stage, after I had been on a talkback radio program, a woman from within the metropolitan area called my office. I had said that the Green Paper that had been put before this Parliament was too draconian. This woman asked how I could support the ownership of automatic weapons in Western Australia. I pointed out to her that they had been banned since 1979. This woman went off her head. She called me a liar and lost control completely. Somehow she had got the wrong drift, probably from the debate in the east where firearms are legal in many of the States. She relayed her comments, which I found to be unforgivable, to me and to other people in my electorate. I never found out who made the call, but often that element of the community telephoned me arguing this issue with absolutely no knowledge of what they were talking about.

The way in which this legislation has been developed is most unsatisfactory. A common theme in my electorate office involved rural people who telephoned me and told me they felt violated by city people, because of the comments made on talkback radio programs. Some pretty hard and nasty things were said on those programs. Being the animal they are, I guess talkback radio programs provide a feast for some opinions, not only on gun laws but also many other subjects. Many people who pride themselves on being law abiding, honest, absolutely straight citizens were feeling soiled, and I have great sympathy for those people.

The position of the Prime Minister, right from the start, was flawed. To those of us who have some knowledge of firearms, it was fairly obvious that he has very little knowledge of them. That was apparent by the position he took on crimping which, in my opinion, was based on a totally illogical argument.

I have already said that I was opposed to many aspects of the Green Paper. A corresponding Red Paper, put together by people who were concerned about some aspects of the Green Paper, was distributed. There is no doubt that the original Green Paper was far too draconian. Some people had serious concerns about issues such as licensing, appeal mechanisms, home searches, sporting shooters and the role of primary producers as they appeared in the Green Paper. I am happy to say that I and a number of other people in this place played a fairly substantial role in having the Green Paper altered. In fact, I stood before a public meeting in Beverley at which many of my constituents and many people who I know were in attendance. I heard the anger of some of those people. I know exactly why those people at the meeting felt the way they did. I understand the arguments they put forward.

Some people say that the legislation is too strict. People are telephoning me to tell me that the Government's intention is that no farmer will ever be able to have guns. It is unfortunate that those debates are still occurring in the community. That proposition will be proved only after the Act has been in operation for some time. I am far more comfortable with this Bill, and the aspects to which I referred in the Green Paper. It must be remembered that the Green Paper was written before the tragedy at Port Arthur. It does not change the fact that even in a rural electorate, the number of people who contacted my office who were well and truly in favour of the legislation far outweighed the number who were opposed to it.

Many people in my electorate totally support the position of the Prime Minister. I spent some time arguing that what was being said was emotional and much of it was not based on the real issues. Unfortunately, a part of those issues

is the fact that there will be tens of thousands of illegal guns in Western Australia after the passage of this legislation in all forms in every State. That does not in any way mean there will not be another Port Arthur tragedy. I am given to understand that the person who perpetrated that outrage went to another house, stole the guns he used and then went on his rampage. In the Eastern States, in particular, thousands of illegal weapons must be dealt with.

Mr Shave: It will take 100 years to get rid of them.

Mr TRENORDEN: I was about to make that point. I am a great lover of history. I was lucky enough last year to have the opportunity to go to Gettysburg. It was a fantastic experience.

Mr Ripper: Hear, hear!

Mr TRENORDEN: The member for Belmont was there also. I recommend a visit to Gettysburg to any member of this House. The Americans have erected a monument not to war, but to an important struggle within society. On 2, 3 and 4 July 1861, confederate soldiers were shooting union soldiers over a range of a kilometre. The weapons that were used in 1861 are still capable of killing people today over that range. I am saying that those guns that are illegally in people's backyards, particularly in States like Queensland, will be used to kill people in 10, 50 or 100 years.

Mr Grill: Why are you supporting this legislation?

Mr TRENORDEN: Because 80 per cent of my electorate is in favour of this legislation, and if the member for Eyre had listened to me over the years, he would know that I bat for my constituency. I have looked closely at those figures.

Mr Grill: Do you think that was an informed decision? I do not think it was.

Mr TRENORDEN: That might be proved to be so, but I have spoken to people in my electorate about it, and about 80 per cent of my electorate is in favour of this legislation. Both the member for Eyre and I can have a very large stick pointed at us. He has made his speech and he will vote for the legislation, and I am making my speech and I will vote for the legislation, so plenty of people out there can point at the member for Eyre and me and call us hypocrites, and it would be quite right for them to do that.

This legislation will not penalise people who want to do the wrong thing. In fact, it is the law abiding people who will be penalised. The situation with the Medicare levy and the buyback system is that a gun owner who pays the Medicare levy and receives compensation that is less than the value of his firearm will suffer a net loss, but the penalty for a person who is willing to sell an illegal gun is that those guns will go underground and the price will go up. They will be the net winners. I am told by the rumour machine that automatic guns are being offered for sale around metropolitan hotels for about \$500 with 50 rounds of ammunition. That is happening as we speak. Those people who say that that market will go away are wrong. It is like saying that if we ban drugs, they will go away. It is like USA in the 1930s when it prohibited alcohol. It is not a logical argument.

This legislation is far from perfect, but the vast majority of farmers who can prove they need firearms will get them. Those farmers who do not want to own firearms and are prepared to have someone else come in and look after their properties will be able to hand that option to someone who can service that need. People who have five shot shotguns or are involved in shooting associations will be able to continue to possess those firearms if they are honest members of those clubs and attend shoots.

One of the matters that was put to me is that many people have been given weapons by their grandfathers. In the case of three or four people in my electorate, the only remaining item that they have from three generations ago is a firearm, and they have been told that that firearm must be handed in. An analogy is - even though it is a poor one, I could not help thinking of it when people were telling me their stories - that many women wear their grandmother's engagement and wedding rings, and although we would not require them to hand in those rings, that does not alter the fact that many people have an emotional tie to many of their assets, including firearms. A law abiding person would find it very disturbing to be told that he must hand in those assets. I feel very sorry for those people. I had hoped that out of all this we could get some gain.

Five communities have approached me with an interest in establishing a museum. The Minister has pointed out to me that people can get licences to start those museums, but one of the things that has not been resolved - I have written to the Minister about this - is how will people know, when guns are being handed in all over the State, whether those guns are of some curiosity value and should not be sent to the furnace to be destroyed? There should be some mechanism whereby guns that are of unique value can be collected, disarmed and put into museums, because the fact is that guns do fascinate people, and if the guns are behind glass they can become an attraction for a few communities and be of value.

To move to the negative side of this debate, one of the disappointing aspects of the Port Arthur tragedy is the argument about violence in videos. It appears that Martin Bryant believed that the only way he could make himself known as a person of substance was to carry out that atrocity. The same applies with the person who shot John Lennon. That person had decided that that was the only way he could get some notoriety in life and be a person of substance in society; so that is what he did.

Mr Osborne: It worked!

Mr TRENORDEN: Yes; I have just talked about him. However, what has not come into this matter is the role that pornography played in the case of Martin Bryant. One of his former girlfriends gave considerable evidence that this fellow watched well known violent movies. In fact, he watched "Child's Play 2" so often that he wore out the tape.

Mr Day: Do you mean violent television programs as opposed to pornography?

Mr TRENORDEN: He had videos in his house.

Mr Day: Violent as opposed to pornographic videos?

Mr TRENORDEN: Violence is what I am talking about at the moment. The movies that I have listed here are not pornographic but they are violent. There is a history of that. I have a list of serial killers - Wade Frankum, who was a serial killer in Sydney; Julian Knight; and Frank Vitkovic from Melbourne - who had a history of watching violent videos.

Mrs Parker: So you would be pleased with the censorship Bill that we have passed?

Mr TRENORDEN: I was in the committee room when we argued many of those issues, but I am not pleased with our colleagues in the federal arena, who have washed their hands of this issue. Many speeches have been made by responsible Ministers in the coalition Federal Government about there being no evidence that -

Mr Board: It was the same story with the Dunblane massacre.

Mr TRENORDEN: That was very disappointing.

Mrs Parker: We must continue to follow that up at the federal level to make sure that we get the appropriate response, because the Prime Minister promised that violent entertainment would be pursued and examined.

Mr TRENORDEN: Instantly after the Port Arthur massacre the television stations pleaded to be left alone. They said, "We are responsible people. Leave us alone. Do not subject us to any restrictions."

Mrs Parker: And, "We will self-regulate and have a code of conduct."

Mr TRENORDEN: Did we allow the gun owners to self-regulate? No, we did not. In my opinion, and I must be very wrong because a lot of people disagree with me, the gun that was in Martin Bryant's hand was definitely the weapon that killed 30-odd people, but so too were those violent videos that he was not just watching once or twice but was consuming regularly, according to a former girlfriend. How can we as a society say that firearms are such a disaster that people cannot be trusted with them and they must be removed from society, when we have this mounting evidence of violence in videos and at the movies, but that is okay? The reason that is okay is, in my opinion, that well over 80 per cent of the population do not own a gun, but every voter goes into a video shop, and we do not touch the sacrosanct situation of those voters. The Prime Minister was very pleased to run around and get the support of the have-nots. Not one person in this Chamber could claim that he or she does not rent a video occasionally. However, that aspect has not been addressed. That is the disappointing aspect of this whole debate. As a local member, I could not look my constituency in the eye over this issue. However, many farmers rang me and were happy to hand in their firearms -

Mrs van de Klashorst: And their wives were happy too.

Mr TRENORDEN: Yes. Many people in the community do not want to have anything to do with firearms, but the fact is that we have come down heavily on a large number of law abiding people who will have to hand in their firearms. Perhaps I should not say that it is a large number of people. I hope the Minister will be able to indicate the exact number. I suspect, however, that in the electorate of Avon the number of people handing in their semiautomatic .22s, their pump action .22s or their semiautomatic shotguns will not be high. I guess that the number of weapons would not amount to 1 000. It would not come anywhere near that number. In the seat of Avon only a few hundred people would be involved. From the telephone calls I have received, most people who hand in their firearms will be happy to do so but, unfortunately, not all of them. The unfortunate aspect about this unsavoury debate is that it has driven another wedge between rural and urban people. It has threatened, denigrated and soiled rural people. Many people have come to my office, feeling guilty when they have no reason to feel guilty.

I do not believe this is the way to process good legislation. The Prime Minister has won the public debate. Unfortunately, at some time in the future - and it will be all too soon - there will be another massacre and it will be carried out by a person illegally in control of a firearm.

MRS PARKER (Helena - Parliamentary Secretary) [12.23 am]: It is interesting to be here, listening to the various speeches on this legislation. It is particularly interesting to hear someone like the member for Avon talking about his country electorate and the attitudes that prevail in it. I always say that I represent a mix between country and city, having been born and bred in the bush and having made my way to the city where I have remained. My country folk always manage to remind me of my roots and phone me from the bush from time to time to keep me honest.

Before I turn to the specifics of the legislation, I would like to reflect on its beginnings. That, of course, was the tragedy of Port Arthur. We should bear in mind that that was the catalyst for this legislation. That tragedy shocked all of Australia, as it shocked many people around the world. Those lives were callously taken by a madman, a crazed man who, as the member for Avon said, was fed a steady diet of violence on video. The Prime Minister responded, and there followed a special Australasian police Ministers Conference which made recommendations, to which the States were required to respond.

I must make my position clear, as I have made it clear to constituents and lobby groups who have phoned my office. I am of keen interest to lobby groups now, because of my marginal seat position. Perhaps to some extent I represent women on farms as well as women throughout the city. The principle and the intent of the legislation by the Prime Minister was appropriate. He made a response, and some might argue it was a reaction, but his position, goal and intent was to change the culture of gun ownership in Australia, to redirect it to ensure we do not go down the American path to have a real culture of widespread gun ownership. He wanted to make sure that Australia was on a path that led to a reduced level of gun ownership instead of one that would steadily increase. For that, I do not criticise the Prime Minister. As a woman I am pleased and grateful for that response, because I do not like guns. I would not have a gun in my house. As a young girl, after some time I refused to go shooting with my brothers. I had a great unease about firearms. On the farm I used firearms on occasions; but we never had any accident or incident with them. I certainly had no pleasure in them and I do not encourage my children to enjoy them either. Therefore, my position is clear. The intent of the Prime Minister was to redirect and change the culture of Australian gun ownership; that we move away from a higher gun ownership to one of reduced ownership. I am not comfortable with guns. They are dangerous weapons and I do not enjoy having them around. As I said before, I was happy to leave the shooting to other members of my family on the farm.

We should also bear in mind that Western Australian gun laws were the most adequate in the nation. The greatest testament to that is that since this Bill was presented in this Parliament three weeks ago, I have had only three approaches in my office in response to it. It is a great credit to the Minister for Police that he has patiently worked through the issues, that he has been prepared to speak with each member on this side, to attend meetings, and to negotiate the Green Paper position and work through the issues. We finally ended up with a fine tuning of the gun laws that we had in place and that for so long had prohibited much of the ownership that was allowed in the Eastern States. After the Green Paper the responses to my office related to a few themes. One major concern which has been dealt with in the review and in this Bill was the police power to enter a property without a warrant. That matter was of grave concern, and I am pleased that it has been dealt with to some degree. Another concern expressed by constituents and lobby groups who spoke to me related to the entitlements of people who collected firearms for historical and hobby reasons. People collect shells, coins and all manner of things. Apart from the interest aspect, people collect firearms for their great heritage and economic value. Concern was expressed by those collectors who telephoned my office.

Another item of concern was the amount of this legislation that would be dealt with in regulation. I am grateful that the regulations have been presented to the Parliament, although they are not completed in detail; not all the i's are dotted or the t's crossed. The Minister has presented this Parliament with not only the amendments but also the Bill as revised, so that it is readable, and those regulations. It has been far easier for members to deal with those. The Minister has alleviated some of my concern that the regulations will receive the amount of scrutiny the legislation will receive. On behalf of the constituents who have been in contact with my office I thank the Minister for that.

Another item of concern was simply the workability of this legislation. For laws to be good laws they must be workable. Many people in this place and many constituents and gun owners have been most concerned about the workability of the Bill. I have stated my own dislike of guns and my support for a reduction in the level of gun ownership in this country. It is important that however that reduction is achieved, the laws be workable. I will comment also about the provisions in the legislation for gun ownership.

I have talked about provisions for prohibition. However, I am happy to support the needs of the sporting shooters. In my position as Parliamentary Secretary to the Minister for Sport and Recreation I have opened a couple of shoots. On one occasion it was a national shoot before the Olympic Games at which the final Olympic team for Atlanta was

chosen. That event took place at Whiteman Park, which has a stunning international shooting facility. The only difficulty I had on that day was that I was asked to open the shoot by trying to claim one of the clay targets. I did very poorly.

Mr Wiese: You'll never know by how much you missed.

Mrs PARKER: I know that I missed by a long way, because I hit the embankment. That is how bad my shot was. It was a shocking performance. My shot was even worse than it was when I was 13 on the farm. From my experience on the farm I am supportive of the exemptions for primary producers and those who must deal with vermin. The member for Avon said that quite a distinction was evident between the attitudes of country people and metropolitan people. In the metropolitan area there is a grave concern for personal safety. I am sure there is a concern in the country; however, I have family members in the bush who still do not lock the door of their house. That concern about personal safety is reflected by the degree of anxiety in the metropolitan area and urbanised areas.

I will raise some specific concerns from those general areas that I would like the Minister to address in his response to the second reading debate. I accept that we will go through some of these items in the third reading stage and I will have the Minister respond more specifically at that time.

Mr Wiese: I think you will get most of them answered in Committee, but if I can, I will deal with some of them now.

Mrs PARKER: I will run through a few of them and I will raise them in Committee because they are specific concerns that constituents have raised with me and that I have committed to raise in Parliament so that we will have on the record a response from the Minister and an understanding of what the legislation will achieve. Concern has been expressed about the collector's licence. I thank the Minister for his time today during which I was able to relate many of those concerns. However, it is worth putting on the record a couple of the items about those who are collectors of firearms.

One of the comments was that the previous curio licence was for life and that the collector's licence proposed under this Bill was for five years. After five years must the owner go through the whole process of licensing again, or is the licence simply renewed?

Mr Wiese: It is simply a renewal.

Mrs PARKER: Another item that was raised with me was storage. One of my constituents has a significant number of firearms of historical and other value. They are stored not in a cupboard, but in a room. The room is very securely locked and has a couple of different alarm systems on it. My constituent is concerned to know whether he will be able to continue to store his collection in that way. He also wants it confirmed that he does not have to render inoperative his collection of firearms. In doing so he would reduce their value significantly. We must protect those firearms for not only their aesthetic value, which I usually do not appreciate, but their historical value.

Mr Wiese: With regard to collections in a secure room, the proposal allows for other alternatives. Clearly where people already have existing secure storage, which does not quite meet the requirements of the legislation, the ability exists to allow that other storage to remain. That relates to that situation of the room. With regard to rendering inoperable any collection, category A and B firearms can be collected exactly as they are. There will be a requirement in the collection of category C firearms - for example, semiautomatic shotguns - for the person to render them temporarily inoperable by removing the firing pin or something of that nature so they can be restored later and sold. The only firearms that must be rendered inoperable are category D firearms.

Mrs PARKER: Another constituent takes part in ceremonial occasions with a muzzle loading firearm. His inquiry was about which category that firearm would be licenced under. He thought it would be category B. He uses the firearm a couple of times a year.

Mr Wiese: The muzzle loaders can be licensed and used in the same way as the other firearms. As part of the Australasian police Ministers' Council resolution, that firearm is currently in category B. I think that is a nonsense and I propose to put it into category A. If people want to use it regularly, they can use it like that. If they want to put it into a collection, they can do so, but they then must get a permit to use it. People who wanted to use it only once or twice a year would take that course.

Mrs PARKER: In response to the Green Paper, a lot of support was expressed for the tribunal that will be set up under the Bill. There has been much support for it and we are grateful for the decision. One of the problems, which is the subject of an opposition amendment on the Notice Paper, is the issue of legal representation in the tribunal. I agree that the tribunal should be a place for commonsense and low cost. It should not involve an expensive and complicated legal process. I shall be interested to hear the Minister's response explaining why legal representation will not be allowed. I understand that those people who want legal representation will have the option of having the

case heard in the Court of Petty Sessions. However, if people want to keep it simple and economic, the tribunal will contain the cost factor.

Mr Wiese: That will also put a degree of empowerment over the police. They must make absolutely sure that they deal with applications properly and correctly because they know people will be able to go to a tribunal to appeal against any decisions. That has not been the case in the past, because it has been generally accepted that no-one would appeal to a court because of the cost involved.

Mrs PARKER: That whole process will make the licensing police much more accountable. Certainly there was concern about that issue, and people are pleased with this proposal. Another item of concern relates to the effect of the proposed amendment to section 23(2) of the principal Act which will provide that a person who uses, carries or is otherwise in actual physical possession of a firearm while affected by alcohol or drugs, or alcohol and drugs, commits an offence. There is some concern from both sides of the argument that this provision is too discretionary. It is felt that this matter should be identified more clearly, perhaps using a 0.05 blood alcohol content as a measure. Of course, that does not cover the use of drugs.

Mr Wiese: The best way to deal with this matter is in Committee. It is difficult to explain. There is no way of checking drugs, and they are a major problem. I have asked everyone with whom I have been in consultation to come up with some method that will work better. This will work better than the old way.

Mrs PARKER: I refer to proposed new section 29(2) relating to admissible evidence. It has been suggested that certain evidence will be admissible in these matters that is not admissible under the Criminal Code. The proposed new subsection states that -

In any proceedings under this Act a document or writing . . .

- (a) is evidence which is admissible, and is to be accepted as to the matter contained in the document in the absence of proof to the contrary; and
- (b) if it is proved to be an examined copy or extract, . . .

In other courts that sort of evidence would not be admissible, but it will be under this legislation. I seek some clarification.

Mr Wiese: Again, it will allow evidence to be given either by producing photocopies, rather than original documents, or by statutory declaration rather than sending a police officer to, say, Port Hedland to give evidence in person. It will make the process more simple.

Mrs PARKER: The member for Eyre has already commented on malicious intent by doctors. There must be some process whereby the doctor is not under any threat or exposure for performing that task. Certainly there is some concern about malicious intent.

Concern has been expressed that it will be illegal to possess machine gun ammunition, although ammunition of that type is used in firearms of different calibres. That could apply, for instance, to military equipment that has been adapted for use as a commercial firearm. What protection will there be for someone who owns ammunition which is suitable for a machine gun?

Mr Wiese: If a person has a licensed 0.303, which uses machine gun ammunition - many guns use the same ammunition - he will be able to legally possess that ammunition.

Mrs PARKER: I commend the Minister and his staff on the way they have worked so patiently through this difficult legislation. Many responses were received after the Green Bill was released. It has been a difficult debate. There are two sides to the argument. I agree that farmers and landholders should be accommodated, and that it is necessary to clear our vast land of vermin. I also support the sporting shooters and believe we should accommodate their genuine need to compete in international and Olympic events. On the other hand, I support the concept of building an Australia and a State in which the level of violence is reduced. I agree with the member for Avon that gun ownership is only one part of the problem of violence in this country. I sat on the committee giving consideration to the Censorship Bill. It dealt with these issues at great length, and I supported a limitation on the amount of violent material that is available. I refer not only to videos, but also to interactive games, video parlour games and the like which children and adults can access. Violence is a major problem, and women feel particularly under threat. I was working late at my office at the weekend and a group of people twice tried to steal my car. They banged on my window and shouted at me. It was 11.30 at night and I had to call a family member to come to my office so that I could get into my car to drive home. I was not particularly concerned because I was safely locked in my office, but that incident illustrates that we live in a society in which the amount of violence is increasing. People increasingly

feel threatened. The people annoying me probably did not pose a real threat, but it would have been unwise for me to leave my office to get in my car and drive home.

I support this and other measures to protect us from violence which do not take us to a position of being over legislated. I support all sorts of initiatives such as drug education, family support mechanisms and the new parenting information centres so that we do not deal with just the end result of violence which leads to punishing all the people who misuse firearms. We must take hold of the matter, which starts at the cradle and carries on through the family to children in schools, and try to develop a society in which there is less and less violence.

I support the overall aim of this Bill and appreciate the Minister's patience and willingness to listen to groups and work through the issues which ultimately has enabled him to introduce something covering the middle ground, which is an acceptable compromise for most people in the community.

DR TURNBULL (Collie) [12.50 am]: I am here tonight as the representative of the Collie electorate. The speeches in this place tonight have not really reflected the extreme anger and sense of betrayal felt by many people in our society. However, that may not be the case for many of the electorates of the people who are not here at the moment.

Mr Shave: I am here; I have been sitting here all night. Some of us are here.

Dr TURNBULL: The member for Melville is here; that is good. He is a very good representative of his electorate in that case.

Many people in my electorate feel betrayed. Most members here take part in a sport of some sort, perhaps sailing, which is the favourite sport of the Premier. For him sailing is the best way of relaxing and removing himself from the everyday activities in this place which although sometimes demanding might be quite boring at times. I know that a number of other members also enjoy sailing. Another sport people enjoy immensely is golf. They carry around the course their beautiful golf bags containing golf sticks which they polish up and on which they put little caps to protect the ends of them. They pay a considerable amount of money to join a golf club and enjoy the benefits of the clubhouse at the end of a round of 18 holes. Sometimes the end of the game is celebrated with a rather large drink. Those people enjoy their sport. The basic everyday Australian woman and bloke believe in a fair go in Australia and that we should be able to enjoy a bit of relaxation and our sport. Many people do not put very much thought into the rules or obligations of their sport. They just go out and enjoy it.

However, in Western Australia, as in Australia, a group of people enjoy sport that takes them away from their everyday hum-drum life. They go shooting or own guns. Some of them have a collection of magnificent machines that are designed to shoot extremely well. Some of those machines are high powered and built with excellent telescopic sites. Those guns include all the equipment that can enhance their capability. They are extremely aware of the responsibility they must show with their sport. Those people enjoy a unique opportunity that most other sporting enthusiasts, even, say, touring car drivers, do not enjoy. It is not just a matter of their blasting their ammunition at signs on the road side or at trees. In pursuit of their sport they do a service for our nation.

Throughout Australia the country is plagued by vermin such as foxes, parrots, rabbits and kangaroos. People may say that they are animals and should therefore not be shot. In the light of the damage those animals can do to the ecology of the nation many of them can only be described as vermin. Vermin are pests in the form of animals or plants which in quantities in the wrong place adversely affect the environment they live in. In our State we have the problem of a considerable amount of vermin.

In Canberra, where the third generation bureaucrats live and where they leave only to go for a ski in the snowy mountains or a visit to Sydney for a sail on the harbour, they do not realise that the management of the Western Australian environment is very difficult. Sporting shooters and other gun owners play a very important part in that management. Unfortunately, on the day that John Howard decided to take a quantum leap in the leadership of our nation concerning gun laws he did not realise how much he was betraying these very responsible people who own guns. They take great care of their guns and are extremely careful not to break laws. They help with, and are essential to, the management of our environment. These people in our State, particularly in my electorate, feel betrayed. These are the people on behalf of whom I am speaking.

The president of one of the gun clubs in my town was an extremely responsible school teacher. He always taught his students to be responsible for managing their lives, particularly their leisure time, and how they should behave towards women and children. He is now one of the chief trainers at the Muja power station. All the apprentices are taught by this man to have respect for their workplace, their mates and their leisure time. He is one of the men on whom the Prime Minister of Australia has cast a slur by implying that he does not have the capacity to responsibly manage his guns. That is why there are many people in our society who feel angry and very betrayed.

The situation is even worse given that probably 99 percent of those people are men. In Australia our urban culture and requirement for an orderly regime which does not impact on our neighbours impinges more on men than on women. Many Australian men do not know where they belong in this late twentieth century society. They no longer fill the role of being the provider and the responsible person in our families. Policemen, politicians and lawmakers all impugn the role of men in our society. It is tragic that John Howard did not give that the slightest consideration when he decided that his leadership was going to turn Australia in another direction.

As the representative of the people in my electorate, I have tried very hard to react to and interact with the Minister for Police in preparing this law that is before the Parliament. However, as the member, I also must recognise that I represent the whole of my electorate. I consider that I am a parliamentarian first; I do not consider I am a politician. As a parliamentarian, my responsibility is to all the people of the electorate of Collie. So, I decided I would survey my electorate. When one gets many telephone calls and masses of letters, one does not know whether one is obtaining the views of a minority of people or a large cross section of the community. More than 10 per cent of all electors responded; in fact, it was more like 13 per cent, which is regarded as a good response to a survey. More than 80 per cent of the people in my electorate supported John Howard's push for a limitation on the ownership and operation of guns. That survey reflected the views of most people, particularly those in country areas of Western Australia. They want people to be responsible about gun ownership and they want as few guns as possible in the community. They have seen what has happened in America and they read and listen to sensational media reports. They do not want to hear that a lady down the street was shot by her husband because he was upset. They do not want to hear that someone's son in the next town committed suicide. Unfortunately, there is a perception that the gun is the problem. We know that is not true; the person using the gun has the problem.

Unfortunately, all the laws that we will make in this Parliament regarding the ownership and the use of guns will not reduce the possibility of another massacre. More honest members of the Opposition admitted yesterday that these gun laws will not ensure that we do not have another massacre like the Port Arthur tragedy. However, I know one thing for sure; that is, the one thing that will have some impact on reducing domestic violence, shootings of people in anger by a person they know, and suicides, is the locking up of the guns - the safe containment of guns. I have not heard one responsible gun owner, whether he be a clay target shooter, a person who shoots foxes, a professional gun owner, or a person who has a gun that his father gave him, who does not agree that locking up guns is very responsible. When it comes to the Committee stage of this Bill I will ensure that we highlight this aspect of the locking up of guns.

All the statistics that people have been quoting in the last day and a half of debate do not matter. The only thing that will reduce the amount of harm that comes from guns is locking them up. It will not matter whether someone owns a gun or has the right to own one, what calibre it is, whether it is five shots or one shot or whether it is a double-barrelled shotgun. The most important thing for someone who is angry, in despair or suicidal is how quickly that person can get his or her hands on the gun, the operation of it and the ammunition that goes into it. How quickly or slowly they can ready the gun will affect the basic feelings of people and whether there is a tragedy or they calm down.

It is unfortunate that the Prime Minister made a decision on the rules of gun ownership and their operation without consulting the States. He adopted a very selective, narrow view about how the law would operate. I am not decrying his leadership; I am decrying the fact that many of the rules will not have the slightest effect on the ultimate objective of this legislation; that is, to reduce the amount of violence in the community and the deaths and injuries caused by guns. An angry person, or a suicidal or a vengeful person can kill as many people and cause as much injury as the Port Arthur tragedy with any sort of gun. Locking guns in secure areas, and separating the ammunition from the gun will have a far more practical effect than anything else on slowing down or stopping a person from attacking others.

There is one last thing I would like to say in representing the more than 80 per cent of people in my electorate who support the Prime Minister's stand and the final outcome of the Police Ministers' conferences, as well as those people who have felt betrayed because they have been made the scapegoats for the Port Arthur tragedy. I commend the Western Australian Minister for Police. He tried very hard to implement what would have been one of the most practical solutions to this problem; that is, the crimping of the magazines of semiautomatic guns. He is an owner and a user of guns. He also knows how important they are in managing the ecology and the environment of Western Australia. It is his practical views to which the Prime Minister should have listened.

I have tried to modify the views of the Minister for Police but he is a very tough man. When he decided that he would have to implement in Western Australia the conditions that had come out of the Police Ministers' conference he was difficult to move, but I will not discuss tonight all those things he has modified. As far as I can see I have done the best I can for the people of my electorate who are gun owners. The people who will be most affected do not own property and do not belong to specific sporting clubs. Some of the ordinary, average people who live in country towns in Western Australia will be most affected by these laws. They are the people who will continue to

feel very much aggrieved. They treat their guns responsibly and manage them far more responsibly than any people involved in sporting pursuits. They are the backbone of country Western Australia, the people who have rallied to the support of Australia in wars and at other times. Those people in my electorate are really feeling betrayed

Mrs Parker: I have always found the sporting shooters and their fraternity to be very responsible in gun management.

Dr TURNBULL: I think the Minister for Police has managed to accommodate a lot of those.

Mrs Parker: That is right.

Dr TURNBULL: I am finishing my remarks tonight on behalf of those who I think will not end up being accommodated by the gun laws. I will ask questions in detail of the Minister at the Committee stage. The problem of controlling violence in Australia requires far more than banning guns. It will be a tragedy if all that results from the Tasmanian experience is that we buy back certain guns. The problems caused by guns are the end result of failing to address the major causes of violence as a result of family relationship breakdowns, job stress and mental illness, particularly schizophrenia and severe depression. As a doctor I regularly had to help young men who developed schizophrenia through marijuana use. In their very distressed states they often threaten to kill themselves or a family member. As a politician and doctor I would much rather we spent far more time and money on adequate support for those people in our society than repairing broken bodies, conducting post mortems and building more gaols. As preventive measures we must start with banning extreme video and film violence and maintain strict control on all drugs, legal or illegal. We need nation-wide campaigns, such as the Respect Yourself campaign, which promoted the responsible use of alcohol. Millions of dollars are needed to resource the mental health programs that function in our community. We do not need millions of dollars for buying back guns. Australia must recognise that psychiatric conditions, attention deficit disorders, drug abuse and the extreme stress of modern living form the basis of the crimes of 50 per cent of the people in our gaols. Those people must have appropriate rehabilitation programs. Mainstream Australians must face up to the cost of implementing those programs. I would like to say to the Prime Minister of Australia that I feel that if he were to use the Medicare levy in those areas he might have ended up having more effect on the reduction of violence in our society than by buying back semiautomatic guns.

I will be supporting the Bill. The bulk of people in my electorate support the Bill, including gun owners, for one very important reason; that is, they want us to implement an Australia-wide management system. We in Western Australia had the very best management system. I think I echo the sentiments of everyone else in this Parliament when I say that perhaps if others had seen the Western Australian laws and implemented them, we would have had just as successful an outcome as there may be with this law that we will be passing.

MR AINSWORTH (Roe) [1.16 am]: One of the most disappointing aspects of the debate that has raged since the Prime Minister responded to the Port Arthur massacre is the fact that the Prime Minister's moves and statements were really aimed in the wrong direction. They were aimed at people in this State, who had not and would not be the cause of any major problems through the misuse of firearms. In fact, the general public should have been directing their anger not at firearm owners, but at politicians who had shown a lack of leadership, those in the various State and Federal Governments which took no action to ensure that the firearm laws in other States were on a par with ours in Western Australia. Over a very long time we have had quite strict firearm laws in this State, certainly not too strict, but strict to the point where they regulated the use of firearms in a way which did not impinge on the rights on the average law abiding shooter, but did limit the use and ownership of military-style, high powered automatic weapons, which have no place at all in the hands of the average citizen. The fact that those firearms have been legally available in other States and not even traceable has caused the problem we are all facing now. The lack of leadership shown by successive Governments is why those arrangements were allowed to continue in other States. Unfortunately, Western Australia, being part of the Commonwealth, has been caught up in the over reaction to the Port Arthur massacre.

The Prime Minister, although he was very keenly aware of the sympathy and support he would get from the population by his actions after the tragedy in Port Arthur, was not nearly as aware of the firearm usage in places like Western Australia and the fact that those lower powered self-loading or pump action firearms that are to be the subject of banning for a lot of people were not the cause of major problems for safety in our society. The statistics that others have mentioned tonight about the many thousands of those firearms in the community across Australia testify to that. If they were so dangerous we would be seeing a lot more deaths and accidents from firearms than we do. In Western Australia particularly the statistics would bear out the fact that although many of those low powered .22 calibre and 12 gage shotguns and firearms are self-loading or pump action, we have a very low accident rate and a low rate of illegal usage. Some people who have suggested that we should be banning a lot more firearms have suggested it because firearms are used in homicides

There was no real connection between that and the use of the banned category of firearm - I am not talking about the military-style firearm, but those which were legally available to the average Western Australian up to this point. The

fact that those firearms will be unavailable to people in future will not have any effect on the rate of homicide from firearm use. Even with those firearms readily available in this State - as they have been - the statistic is that over the past 22 years 4.9 people a year are killed by a firearm in a homicide. That statistic does not say which type of firearm was used; it could have been a single shot .22 calibre rifle, a handgun or single barrel shotgun, all of which will still be legally available to certain classes of people after the changes that the Prime Minister has sought are put into law.

Likewise, people have suggested that firearms are a major choice for someone attempting suicide and that somehow banning self-loading firearms will help reduce the suicide rate. For anyone who has even the slightest knowledge about firearms, if one chooses a firearm as a method for committing suicide, whether it will fire one shot, two shots, 15 shots or 20 shots by pulling the trigger 15 or 20 times is immaterial. If a person cannot commit suicide with the first shot, they are not serious about committing suicide. I am not taking the issue of suicide lightly - far from it. However, if someone were desperate enough to commit suicide they would find another way of doing it if a firearm of any sort was not available. To suggest that the removal of the low powered, self-loading firearm from ownership in the general population will materially affect the suicide rate is a joke.

Likewise, people talk about the use of firearms in crimes like shop hold-ups. The types of weapons that have been chosen by people to rob chemist shops at night or whenever can range from anything as commonly available as a sharpened screwdriver to a hypodermic syringe. Again, the firearm is one of a range of potential weapons people would choose to use. If they did not have a firearm they would use something else. I do not think there will be any material difference in the rate of those types of criminal activities when we see the reduction in a certain category of firearm in the community. People who under this legislation will no longer be able to own a self-loading semiautomatic firearm will still in many cases be able to legally own other categories of firearms, and those could just as easily be used in a range of ways if people so choose. More important than that is that those people who live in towns in the country area that I represent and who enjoy the recreational activity of shooting and who own a very humble .22 calibre self-loading rifle or pump action shotgun and may not be able to continue to do so are people who have owned this type of firearm and used it responsibly for many years. There are hundreds of such people in my electorate who say, "Why should we be penalised because some madman ran amok in Tasmania and the Prime Minister overreacted in making this big statement about banning firearms, and why should the Prime Minister's action be supported by supposedly 80-plus per cent of the population who do not have any understanding of firearms?" The main understanding of the general population of firearms is gained from watching American television shows. They do not portray the situation in Australia, the types of firearms or their availability. I am concerned that as a nation we have overreacted to a tragic situation. We have taken the wrong course of action to prevent, as much as one can, the recurrence of that type of behaviour.

I have been interested and also shocked in the past few weeks at media reports of people who have chosen to use other methods to inflict pain or death on individuals in our society. The most recent case that comes to mind is the incident in Queensland of an unprovoked attack on a child, where a person poured petrol on that child and set fire to him. That is the sort of mindless activity that we cannot comprehend, because it is beyond our imagination how anyone could possibly consider doing that. Yet that same type of mindless activity perpetrated by a person using a firearm is something to which we respond in a strong way. I do not think that the removal of the types of firearms that were legally available in this State will stop people who are in that frame of mind from doing something equally tragic with other weapons - if one can call a can of petrol a weapon. The list of possible weapons for causing damage to people is almost endless. I do not need to reiterate those here tonight, because I am sure we all understand that.

My concern is not that there is strict firearm control, because the sport shooting groups and individuals I have spoken to in the past few months - there have been many of them - said that they understand, recognise and support the need for, firstly, uniform firearms laws right across the nation; secondly, safe storage of firearms; and, thirdly, the training of people who seek a firearm licence for the first time. They broadly agree with a range of issues embodied in this legislation, because in principle it is hard to argue against those things and be a responsible person. However, they did object to clauses in the Green Bill - fortunately, they have been modified significantly - which would have allowed access to private homes by the police without a warrant, where there was no immediate danger to anyone from that person owning a firearm. The Green Bill would have given the police, under those circumstances, the opportunity to abuse their rights under the law as it was proposed. Fortunately, that side of the legislation has been significantly modified to the point where I believe that proposals in the Bill are quite acceptable, because of a much greater onus on the police to justify their actions. Also the police cannot take that action unless they have a reasonable belief that someone is in imminent danger of being hurt in some way by a firearm in a house and they do not have time to seek a search warrant from a justice of the peace.

Other aspects of the legislation are by and large supported by many people. However, one major factor that impinges so much on people in my electorate so that I and the people I represent - particularly those who have some understanding and knowledge of firearms - do not support it, is the fact that some people who have demonstrated,

in some cases, a lifelong ability to own and use responsibly a low powered, self-loading firearm will not be able to own those firearms any more. That is an overreaction to a situation that occurred in another State. It has turned what would otherwise have been a situation which would have been supported almost universally by firearms owners, to one which is now grudgingly supported by firearms owners who will not lose the ability to use their firearms and which will be opposed strongly by those who believe that their rights or their integrity have been brought into question by this overreaction to what happened in Tasmania.

There is another very unfortunate aspect to this affair which does not apply to this State's legislation. However, I will mention it tonight because since I heard the reports on this activity I have been concerned. Until now there has not been any form of registration of the owners of firearms or the firearms themselves in some of the other States. Under the legislation which has or will be introduced into the other Parliaments people will be required to declare certain firearms. However, because of the differing views of people on their so-called rights some people will take whatever action they can to not comply with the legislation. I do not agree with that view because there is a limit to what type of firearm should be available to the general public.

In those States where firearms were readily available some firearms will not be handed in and will remain in the community. Even worse than that, the attitude of those people who believe it is their right to own any type of firearm they like, including machine guns, has been hardened to the point that they will probably be likely to acquire more firearms and go so far as to manufacture them. That statement might sound extreme. However, anyone who knows anything about the basic types of firearms which have been used in military circles over the last 50 or 60 years knows that the old Owen machine carbine could be made in a home workshop with basic tools and a welder. I am told that people are manufacturing that type of illegal firearm right now. They might not be as well manufactured as those which have been manufactured in a factory and their lifespan, in terms of the accuracy in the barrel, may not be as long. However, for someone who wants to use a firearm for an illegal purpose they will be more than adequate. Certainly at close range they would be adequate. This sort of activity has been encouraged by the Prime Minister's sweeping statement advocating a total ban on firearms. I do not have evidence of the number of such activities which are taking place, but the reports I have are from what I consider to be reliable sources. The fact that this activity is even being contemplated points to the fact that the Prime Minister's reaction to the Port Arthur situation has motivated some of the more extreme elements in our society who have adopted a different attitude towards firearms from most firearm owners. In the long term, the Prime Minister's statement will not do a great deal to reduce the risk to the community of illegally owned firearms. In fact, it could have the opposite effect.

I reiterate that the most important aspect of this legislation is the way in which it affects the owners of firearms in my electorate. Some major modifications to what was proposed at the first meeting of the Australasian police Ministers' Council have been brought about almost entirely by this State's Minister for Police who has owned and used firearms. He understands what I said about this legislation, particularly its effect on country people. However, because this State is compelled to have uniform firearm legislation - if it did not abide by the wishes of the Commonwealth it would be facing far more draconian federal legislation - it leaves those people who have been law-abiding firearm owners for many years in the situation where they had something which was safe and legal made illegal for no good reason.

MR WIESE (Wagin - Minister for Police) [1.34 am]: I know there are some members in this House who know that it is fast approaching the time when I come good. However, it is appropriate that I seek leave to continue my remarks at the next day's sitting.

[Leave granted for speech to be continued.]

Debate thus adjourned.

BILLS (2) - MESSAGES

Appropriations

Messages from the Governor received and read recommending appropriations for the purposes of the following Bills -

1. Firearms Amendment Bill.
2. Criminal Law (Mentally Impaired Defendants) Bill.

HAIRDRESSERS REGISTRATION REPEAL BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr C.J. Barnett (Leader of the House), read a first time.

ADJOURNMENT OF THE HOUSE - ORDINARY

MR C.J. BARNETT (Cottesloe - Leader of the House) [1.35 am]: I move -

That the House do now adjourn.

I advise members that the House may sit on Thursday after dinner to conclude debate on the Firearms Amendment Bill.

Question put and passed.

House adjourned at 1.36 am (Thursday)

QUESTIONS ON NOTICE

JUSTICE, MINISTRY OF - RESPONSIBLE CITIZENSHIP PROGRAM FOR ABORIGINAL DETAINEES

2072. Mrs HENDERSON to the Minister assisting the Minister for Justice:

- (1) What action has the Minister taken to update the responsible citizenship program for Aboriginal detainees?
- (2) Is the program still being used in any juvenile detention centres?

Mr MINSON replied:

- (1) The Psychological Services of the Ministry of Justice rewrote the responsible citizenship program in January 1995. It was in the process of being modified when the announcement of the closure of the work camp was made.
- (2) The responsible citizenship program developed for the work camp is different to the principles of responsible citizenship as referred to in the management philosophy and other documents. The responsible citizenship program has not been introduced to other detention centres, however, the responsible citizenship philosophy is practised throughout juvenile services of the Ministry of Justice.

JUSTICE, MINISTRY OF - JUVENILE MOBILE WORK CAMPS

2143. Mrs HENDERSON to the Minister assisting the Minister for Justice:

What measures will the Minister put in place to ensure that sound professional support services are available to any future mobile juvenile work camps, a shortcoming highlighted by the Newman report?

Mr MINSON replied:

The development of any future juvenile work camps will be dependent upon there being an appropriate mix of juvenile detainees and an identification of a suitable project in the community. It is likely these will take the form of detainees attending the program on a daily basis and returning at night to detention. Detainees will consequently have access to all existing professional services and supports.

JUSTICE, MINISTRY OF - JUVENILE MOBILE WORK CAMPS

2144. Mrs HENDERSON to the Minister assisting the Minister for Justice:

- (1) Is it the Government's intention to include remedial education and programs of skill training in any future work camp for juveniles?
- (2) What sorts of skills is it intended will be imparted to juvenile detainees?
- (3) What sorts of programs will be used to impart these skills?

Mr MINSON replied:

- (1) Yes.
- (2)-(3) These are yet to be determined.

JUSTICE, MINISTRY OF - JUVENILE MOBILE WORK CAMPS

2145. Mrs HENDERSON to the Minister assisting the Minister for Justice:

- (1) What locations have been considered for any future juvenile mobile work camps?
- (2) What criteria are to be used for selecting suitable sites for such camps?
- (3) Who will make the decision expected to be made about such locations?
- (4) When is a decision expected to be made about appropriate locations for such camps?
- (5) How many camps are to be established?

Mr MINSON replied:

- (1)-(5) The ministry is still considering the management and practical issues of establishing juvenile mobile work camps. No locations have yet been identified.

JUSTICE, MINISTRY OF - JUVENILE OFFENDERS, IMPORTANCE OF FAMILY

2146. Mrs HENDERSON to the Minister assisting the Minister for Justice:

- (1) Does the Ministry of Justice have a policy that recognises the importance of the family and its involvement in the rehabilitation process?
- (2) Where is this policy located?
- (3) How is this policy communicated to officers in the ministry?
- (4) Is this policy taken into account when major decisions are made that will clearly impact on programs of rehabilitation for offenders?
- (5) Was this policy considered by those who made the decision to locate the Kurli Murri work camp at Laverton?
- (6) If no to (5), why not?

Mr MINSON replied:

- (1) Yes.
- (2) The Director General's rules for detention centres, Management Philosophy - Juvenile Justice document and the Young Offenders Act 1994.
- (3) All staff have been provided with the information referred to in (2) in writing and in meetings with their managers and superintendents.
- (4)-(5) Yes.
- (6) Not applicable.

JUSTICE, MINISTRY OF - JUVENILE OFFENDERS, IMPORTANCE OF FAMILY

2147. Mrs HENDERSON to the Minister assisting the Minister for Justice:

- (1) Is the Minister aware of recommendations of the Royal Commission into Aboriginal Deaths in Custody which emphasised the importance of ensuring access to family in the interests of preventing deaths in custody?
- (2) Were these recommendations taken into account by those who suggested that the juvenile work camp be located near Laverton?
- (3) Were these recommendations taken into account by Cabinet when it endorsed the proposal to locate the work camp at Laverton?

Mr MINSON replied:

- (1)-(3) Yes.

JUSTICE, MINISTRY OF - JUVENILE MOBILE WORK CAMPS

2148. Mrs HENDERSON to the Minister assisting the Minister for Justice:

What measures have been put in place by the Minister to ensure that the quality vocational training that was described as 'lacking' at Camp Kurli Murri will be available at any future mobile work camps or intensive treatment centres for juvenile offenders?

Mr MINSON replied:

The Government is undertaking a review of programs targeting offenders facing a custodial sentence for the first time. This, together with the recommendations in Judge Kingsley Newman's report and advice from the evaluation committee, will form the basis for new measures put in place. The intensive treatment centre for juvenile offenders will be located in the metropolitan area and will have access to a wide range of vocational and education resources.

DISABILITY SERVICES COMMISSION - SCHOOL LEAVERS; POST SCHOOL OPTIONS PROGRAM,
FUNDING

2167. Dr WATSON to the Minister for Disability Services:

- (1) Further to question on notice 927 of 1996, how is the State Government proposing to deal with the federal shortfall in funding for the post school options program?
- (2) How many school leavers are there in 1996?
- (3) Are there only 90 places allocated for 1997?

Mr MINSON replied:

- (1) I have written to the commonwealth Minister with proposals to address the needs of all school leavers with disabilities.
- (2) 108.
- (3) Yes. Forty-seven persons have requested full time employment and 53 for part time. Taking part time places into account, the full time employment equivalent requirements therefore total less than 90. The State Government will provide community access programs - or employment alternatives - for the remaining individuals and for those in part time employment.

JUSTICE, MINISTRY OF - INTELLIGENCE BRANCH MANAGER, INCREASED RESPONSIBILITIES
RECOMMENDATION

2282. Mr BROWN to the Minister assisting the Minister for Justice:

- (1) Did the acting Executive Director, Offender Management, recommend that the Manager of the Intelligence Unit be given increased responsibility in the following areas -
 - (a) prison-based security officers to become the responsibility of the Intelligence Branch;
 - (b) the dog squad to become the responsibility of the Intelligence Branch?
- (2) If so, does the Government intend to implement this recommendation?
- (3) If yes, why?
- (4) If no, why not?

Mr MINSON replied:

I have been advised by the Ministry of Justice -

- (1) (a)-(b) Yes.
- (2) The matter is subject to further consultation with relevant unions.
- (3)-(4) Not applicable.

JUSTICE, MINISTRY OF - OFFENDER MANAGEMENT DIVISION ADMINISTRATORS, GRIEVANCES
AGAINST

2283. Mr BROWN to the Minister assisting the Minister for Justice:

- (1) Has there been a number of grievances lodged against the current administrators of the Offender Management Division of the Ministry of Justice?
- (2) If so -
 - (a) what number of grievances have been submitted;
 - (b) have breaches of the Public Sector Management Act occurred;
 - (c) have breaches of the Public Sector Standards occurred;
 - (d) has any action been taken against any individuals?
- (3) If so, what are the details?
- (4) Can the Minister advise if any reports have been completed on this issue?

(5) What is the precise nature of such report or reports?

Mr MINSON replied:

- (1)-(2) (a) There were seven formal grievances lodged with the ministry's Human Resources Directorate over the last two years.
- (b)-(c) No.
- (d) Yes.
- (3) All parties to the process receive counselling.
- (4)-(5) Individual grievance investigation reports are completed by an independent investigator and contain details of the grievance, a summary of interviews, recommendations for action if appropriate, and suggested reply to officer if appropriate.

JUSTICE, MINISTRY OF - DIRECTOR, PRISONS OPERATIONS, APPOINTMENT

2294. Mr BROWN to the Minister assisting the Minister for Justice:

- (1) Further to question on notice 1228 of 1995 can the Minister advise when the previous incumbent in the Director of Prison Operations position formally accepted a transfer to another position?
- (2) What were the circumstances giving rise to the position of Director, Prison Operations being advertised at the time?
- (3) Who occupied the position prior to it being advertised?
- (4) Did the Ministry of Justice remove or transfer the occupant?
- (5) If so, why?
- (6) Who made the decision to transfer and/or remove the occupant?
- (7) On what basis was the decision made?
- (8) Was the decision made after certain inquiries or investigations were carried out?
- (9) Who carried out the inquiries or investigations?
- (10) When were the inquiries or investigations carried out?
- (11) Who was selected to fill the position of Director, Prison Operations?

Mr MINSON replied:

I have been advised by the Ministry of Justice -

- (1) The agreed transfer was the result of arbitral proceedings in April and May 1995.
- (2) The position was vacant.
- (3) Mr John MacColl, in an acting capacity.
- (4) The occupant was removed from the position.
- (5) The occupant was subject to disciplinary proceedings.
- (6) The then Director General of the Ministry of Justice.
- (7) See (5).
- (8) Yes.
- (9) Mr Peter Moore.
- (10) Between October 1994 and March 1995.
- (11) Mr Peter Moore.

PRISONS - COST STRUCTURES, GIVEN TO PRIVATE OPERATORS

2309. Mr BROWN to the Minister assisting the Minister for Justice:

- (1) Has any information relating to the cost structures of the Western Australian prison system been given to private operators in the building and correctional services?
- (2) If yes -
 - (a) which firms;
 - (b) what was the nature of the information;
 - (c) what was the date on which this information was supplied;
 - (d) have any reports emanated to government or the Ministry of Justice from this information?

Mr MINSON replied:

I have been advised by the Ministry of Justice -

- (1) As far as can be ascertained, none, other than publicly available information contained in ministry annual reports etc. Records are not kept of all individuals or companies who obtain copies of publicly available documents.
- (2) Not applicable.

PRISONS - PRISONERS, COST PER DAY

2310. Mr BROWN to the Minister assisting the Minister for Justice:

- (1) Can the Minister advise the daily cost per prisoner in Western Australian prisons for the years -
 - (a) 1992-93;
 - (b) 1993-94;
 - (c) 1994-95;
 - (d) 1995-96?
- (2) What was the daily cost per prisoner in other Australian States for the aforementioned period?
- (3) What costs of services are included in the Western Australian figures that are not included in other States?
- (4) What is the source of reference for these figures?

Mr MINSON replied:

- (1) Daily cost per prisoner - Western Australia -

- (a) \$142.86
- (b) \$130.23
- (c) \$121.14
- (d) \$117.74.

- (2) Daily cost per prisoner - other States -

	NSW	VIC	QLD	SA	TAS	NT
(a)	\$119.49	\$150.61	\$131.22	\$153.39	\$114.48	\$154.97
(b)	\$123.44	\$129.18	\$122.38	\$150.31	\$129.46	\$149.21
(c)	\$137.90	\$147.30	\$121.37	\$133.64	\$136.55	\$146.76
(d)	Figures not available.					

- (3) All costs include salaries, maintenance, grants and subsidies, other services, depreciation, expenditure incurred by other departments on behalf of corrective services, contracted prison management services (where applicable), other recurrent costs, revenue from prison activities and overheads.
- (4) Report of government service provision by the Steering Committee for the Review of Commonwealth/State Service Provision.

JUSTICE, MINISTRY OF - REVIEW/REPORTS ON ADULT OFFENDER TRANSPORT, MEDICAL SERVICES; PRIVATE OPERATIONS OF PRISONS

2311. Mr BROWN to the Minister assisting the Minister for Justice:

- (1) Further to question on notice 1467 of 1996, can the Minister advise if any reviews/reports have been undertaken by ministry personnel on -

- (a) adult offender transport;
 - (b) adult offender medical services;
 - (c) private operations of Casuarina Prison, Canning Vale Prison and the C.W. Campbell Remand Centre?
- (2) If yes -
- (a) what is the nature of each report;
 - (b) who wrote each report;
 - (c) on what date was each report commenced and completed?
- (3) Which ministry officials were involved in these reviews/reports?
- (4) Will the Minister table these reviews/reports?
- (5) If not, why not?

Mr MINSON replied:

I have been advised by the Ministry of Justice -

- (1) (a) Yes, as an issue raised in enterprise bargaining agreement negotiations.
(b)-(c) No.
- (2) (a) Identify the issues impacting on prisoner transport.
(b) The review was conducted and written by John Fletcher, a ministry employee.
(c) The review was commenced in early March 1996 and completed at the end of August 1996.
- (3) John Fletcher.
- (4) No.
- (5) The reports were commissioned for internal management purposes only.

FAMILY AND CHILDREN'S SERVICES - LAVELLE, MR AND MRS, LETTER ON ADOPTION DIFFICULTIES

2343. Mr BROWN to the Minister for Family and Children's Services:

- (1) Has the Minister received a detailed letter from Mr and Mrs Lavelle concerning the difficulties they have faced in trying to adopt a child from overseas?
- (2) Has the Minister asked Family and Children's Services to provide a detailed response to each of the matters raised in the letter?
- (3) If not, why not?
- (4) Has the Minister received a detailed response from the department?
- (5) If so, what is that response?
- (6) When will the Minister formally respond to the issues raised in the letter from Mr and Mrs Lavelle?

Mrs EDWARDES replied:

- (1)-(2) Yes.
- (3) Not applicable.
- (4) Yes.
- (5) The personal details and information are confidential.
- (6) Correspondence addressing the issues has been sent to Mr and Mrs Lavelle.

CONTRACT AND MANAGEMENT SERVICES, DEPARTMENT OF - GROUP CERTIFICATES, ERRORS

2346. Mr BROWN to the Minister for Services:

- (1) Further to question on notice 1870 of 1996, what is the name of the third party contractor providing technical support for the Government payroll system that made the error?
- (2) Who is that third party contractor contracted to?

- (3) Did the Government incur any costs as a result of the errors made to group certificates?
- (4) Exactly what costs did the Government incur?

Mr MINSON replied:

- (1) Trilogy Resources Pty Ltd.
- (2) Fujitsu Australia Limited.
- (3) No.
- (4) Not applicable.

PRISONS - PROBATIONARY OFFICERS' SCHOOL IN TRAINING; OFFICERS, SHORTAGE

2361. Mr BROWN to the Minister assisting the Minister for Justice:

- (1) Is there a probationary prison officers' school in training at the moment?
- (2) Have all these probationary officers been advised they will be posted to the outer metropolitan area or country prisons?
- (3) Is there a shortage of officers in any metropolitan prison?
- (4) If so, why has the Government ignored placing any new officers in metropolitan prisons?

Mr MINSON replied:

- (1)-(3) Yes.
- (4) The Government has not ignored placing new officers in metropolitan prisons. Staff shortages in these prisons are being attended to by the transfer of existing staff from country prisons and replacing those country positions/vacancies with new recruits.

QUESTIONS WITHOUT NOTICE

MINISTERS OF THE CROWN - SHAREHOLDINGS DIVESTMENT ISSUE

570. Mr McGINTY to the Premier:

- (1) Does the Premier support the Commission on Government's recommendations in report number 4 handed down in July that Ministers should be required to divest themselves of all shareholdings which conflict with their portfolio responsibilities, and further noted that Western Australia is the only one of the Parliaments surveyed without such requirement?
- (2) Does the Premier agree that it is important that Ministers avoid the appearance of a conflict of interest not only in Cabinet but also in their day-to-day portfolio responsibilities?
- (3) If so, does this not require that Ministers divest themselves of any shareholding in companies that may have an operation in their area of responsibility?

Mr COURT replied:

I thank the member for some notice of this question on a somewhat topical issue this week, as has been the case for many years.

- (1) It is a difficult question. I do not say that shareholding should not occur, as I believe there are examples in which it may well be appropriate for Ministers to hold shares.

Mr Ripper: Should a resources Minister have personal shares in resource companies?

Mr COURT: Let me continue, as there is no simple answer to this matter. Ministers and all members of Parliament must provide to this Parliament a list of their assets - basically, this is shares, property and so on. The code of conduct has changed over the years. The latest version of the code came out in 1990 under the Labor Government,

by which a Minister must make it clear to Cabinet if he or she has a conflict of interest. That interest is declared and that person is not involved in the relevant decisions.

Cabinet has operated in exactly that way. Whenever a conflict of interest has arisen, it has been disclosed by the Minister, certainly in relation to his or her own shareholdings, and in some cases Ministers have said that there may be a conflict with a family interest, and the Minister has not taken part in those decisions. Therefore, if one had a blanket ban on Ministers owning shares -

Mr McGinty: Only in their portfolio responsibility area.

Mr COURT: - in their portfolio area, it would cause a huge problem for the Treasurer of the day. If the Treasurer of the day had assets, including shares, to comply with the code the person would have to divest himself or herself of everything because the Treasurer is making decisions that will impact on those assets. It seems everybody has difficulty in writing a code of conduct. This code of conduct states -

. . . Ministers are required to resign any directorships in public and/or private companies unless, for example, such private companies operate a family farm, business or investments and the retention of directorship is not likely to conflict with the public duty of the Minister.

In other words, Ministers can keep their interests in a family business or in family investments. Members opposite operated under this code. In practical terms it is difficult.

This has not been an issue for me. Like my father, I sold what limited shares I had; I liquidated them. Often that is not easy to do. If the shares are in a publicly listed company, it can be done quite easily but it is not the same for a family company. In my case I had to go through the liquidation of a family business which took about 18 months. I do not have any shares and I do not run into this problem. It would be unfair to expect future Treasurers to divest themselves of any assets they held.

- (2) We should definitely try to avoid a conflict of interest. Whenever decisions are being made where a conflict of interest may occur, it is quite appropriate for that Minister not to participate. Although I do not own any shares, one of my four brothers is involved quite publicly in the Kingstream Group of Companies - it is a public company - which is currently negotiating an agreement with the Government for a steel plant.

I know there is no conflict of interest. I am certainly not a beneficiary of those negotiations in any way; however, I have made a decision that there could be seen to be a conflict of interest on my part and I do not participate in any decisions relating to that matter. At the end of the day it gets down to the integrity of the individuals involved. I do not believe we can put in place any system that will enable us to know what close family members or our spouses own. That would be very difficult.

- (3) In some cases it would be appropriate for Ministers to divest themselves of any of their shareholdings. I ask the Deputy Leader of the Opposition not to ask me to pick and choose which assets people should divest. Another way of handling this matter is used at times in the United States; that is, the assets of politicians are put into a trust for the time of their public life. That trust is administered completely separately from them; they do not have any involvement in the administration of that trust. As I understand it, some of the former Presidents of the United States have done just that. Their assets have been placed in a trust so they do not have to divest themselves of them.

Mrs Hallahan: They still make decisions to enhance their portfolios.

Mr COURT: That could well be the case, as I have said. I guess there is no perfect solution. I find it interesting that, under the federal disclosure laws, where there is a register of interests -

The SPEAKER: Order! I know this is a highly topical and important issue; however, I ask the Premier to conclude his answer.

Mr COURT: I notice that often quite high profile politicians have virtually no assets, but when they retire from Parliament they seem to become millionaires. I want to know how that works.

MINISTERS OF THE CROWN - SHAREHOLDINGS DIVESTMENT ISSUE

571. Mr McGINTY to the Premier:

I take the Premier's answer to mean that he rejects the recommendation of the Commission on Government for the divestiture of any shares that might conflict with the portfolio responsibilities of a Minister. I refer to the tabling today of the latest Register of Members' Financial Interests. Is it the case that if the Premier were to set the same high standards as John Howard has on this matter, the Minister for Resources Development and Energy would have

to stand down because of his ownership of shares in Ashton Mining Limited, and the Minister for Tourism would have to stand down because of his ownership of a travel agency?

Mr COURT replied:

The Minister for Resources Development and Energy would like to answer the question with regard to his area if you would not mind asking him.

Mr McGinty: I am asking about ministerial standards.

Mr COURT: He would like to answer that part of the question. I have said that the Commission on Government recommended that Ministers divest themselves of their shares. It recommended also that members not be office holders in professional bodies, including unions and the like. That is a nonsense. I do not see any reason for members not remaining office holders in professional bodies.

Mr McGinty: Do you agree with a Resources Minister owning shares in a resources company?

Mr COURT: Does the Deputy Leader of the Opposition believe that members of Parliament should not be office bearers in a union?

Mr McGinty: It was a specific question.

Mr COURT: I have said that there are a number of recommendations in that COG report.

Mr McGinty: If you really accepted the COG recommendations -

Mr COURT: Does the Deputy Leader of the Opposition accept that?

Mr McGinty: Yes. It was in the paper this morning. Our leader stated clearly that divestiture was the only proper response.

Mr COURT: The Leader of the Opposition said that if the Opposition won government it would toughen up the ministerial code of conduct. The people of Western Australia are rolling on the ground laughing about the Opposition's talking about a ministerial code of conduct. The Opposition had a code of conduct but it forgot to read it! The question about resources development should be directed to the Minister.

Mr McGinty: I am asking you about ministerial standards.

Mr COURT: I have just said I do not believe it is necessary for the Minister for Resources Development to sell his shares in Ashton Mining Limited; and if the Deputy Leader of the Opposition asked him the question directly, he would explain why.

Mr McGinty: What about Norman Moore?

Mr COURT: The Deputy Leader of the Opposition asked a question about the Minister for Resources' personal finances, and he is only too prepared to answer it.

AUSTRALIAN LABOR PARTY - AND TRADE UNION MOVEMENT RELATIONSHIP

572. Mr BOARD to the Minister for Labour Relations:

It was reported in today's *The West Australian* that the Australian Labor Party was looking to closer relations with the trade union movement. Can the Minister inform the House of the actual relationship between the ALP and the trade union movement?

Mr KIERATH replied:

Many of our industrial relations reforms were targeted clearly at the trade union movement. They were aimed at trying to break the monopoly of the trade union movement with regard to its representation before the Industrial Relations Commission. It had compulsory unionism, lack of freedom of association, and a range of other things. I have no doubt that is why the ALP complained so strongly and bitterly at the time we were making those changes, because any changes to the trade union movement strongly affect the movement and history of the ALP. We saw at a federal level when Hawke and Keating were the official Prime Ministers that Kelty was touted as the unofficial Prime Minister. I would go so far as to say that the Labor Government made laws which favoured unions rather than employees.

In looking through the union and ALP constitutions, I find that the ALP state conference and state executive, on which trade unions are represented, are not allowed to have less than 50 per cent union representation. So much for one man one vote there! Page 9 of the ALP constitution states that trade union members were responsible for

formation of ALP policy. The best one of all - members can understand why they so loudly criticised our IR reforms - is at page 13, which states that party members are required to join the union if they are eligible. So much for freedom of association; that has gone down the drain.

I think members can understand why I sit here in great disbelief when today's leader of the Opposition tries to indicate that there is a separation of powers between the trade union movement and the ALP. Last week's Leader of the Opposition, a former trade union leader, is leading the debate today. That leaves me a bit confused; I am not sure who is in charge over there. The Opposition cannot portray the ALP and the trade union movement as separate entities. They are not distant cousins. They are more like Siamese twins; we cannot have one without the other.

GOVERNMENT REPORTS - KEPT SECRET; SMOG REPORT

573. Dr EDWARDS to the Premier:

The editorial in *The West Australian* today said that a "regime of secrecy" is gripping the Government, and named two reports which are being suppressed - a damning report revealing the total inadequacy of government environmental safeguards for ancient fish life and invertebrates at the North West Cape; and an equally serious report about Perth's smog problem, which will worsen until public transport is improved.

- (1) Given the obvious public interest in both issues, why will the Premier not order that they be released immediately for full public consideration?
- (2) What other reports are being kept secret?

Mr COURT replied:

I am glad to see that the Opposition relies on the media for its questions.

Dr Edwards: I thought you would like that.

Mr Ripper: Sometimes we read the register of members' pecuniary interests.

Mr COURT: I was wondering why the Leader of the Opposition was not here today. Does it have anything to do with the fact that we debated the SGIC this morning?

Mr Ripper: He left that in capable hands.

The SPEAKER: Order!

Mr COURT: I thought he knew a lot about the SGIC so when we debated it today I expected him to be here.

Mr McGinty: That is ungracious of you!

Mr COURT: He was handling the SGIC legislation, and I thought it appropriate that he be here to debate it.

- (1) The smog report will be released tomorrow. It does not matter on which side of the House we sit, smog has been a problem for years - and it is getting worse. We are prepared to make the hard decisions to resolve the situation. I am not aware of the full detail of the first report mentioned, but from what I am told the study is being looked at by environmental bodies. I understand that some components of that report were defamatory and could not be put out for public comment. At the appropriate time it will be made public. We will do everything we can to protect the environment of this State. We have done that. We have made the hard decisions regarding Ningaloo which the Opposition was not prepared to make when in government.
- (2) We have operated for four years in government under the freedom of information legislation, which is something members opposite were never prepared to do.

GOVERNMENT REPORTS - KEPT SECRET

574. Dr EDWARDS to the Premier:

Again, I refer to the "regime of secrecy" -

- (1) Why has the Government not released the southern metropolitan coastal waters study which was completed more than eight months ago, and the recently completed haze study?
- (2) Is it true that the Government is suppressing another report proposing a heavy rail link between Perth and Rockingham down the centre of the Kwinana Freeway?

Mr COURT replied:

(1)-(2) I think a bit of fishing is going on here! I suggest that the member direct those questions to the relevant Ministers. She should not expect me to know about the status of the reports.

DRUGS - FANTASY (GHB), ILLGAL

575. Mr JOHNSON to the Minister for Health:

Is the new designer drug known as "Fantasy" or "GBH" a prohibited substance in Western Australia?

Mr PRINCE replied:

I am pleased to advise the House and the public generally that the drug, which has the technical name of gamma hydroxybutyrate acid, is illegal in this State. It was the subject of a special meeting of the National Drugs and Poisons Schedule Committee, on which the Western Australian representative is Dr Peter Di Marco, who is the head toxicologist with the Health Department. The committee decided only a little while ago that the drug should be scheduled under schedule 9 of the relevant legislation. By adoption, that applies in this State. Because it is now part of the standard for the uniform scheduling of drugs and poisons, that drug is banned in this State. That enables the police, if they find any of the drug, to use the state legislation, the Misuse of Drugs Act, to arrest and charge people who are found in possession of the drug or who might be involved in the manufacture and use of the drug.

That is the situation in this State. I am pleased the Government has moved so quickly because the same situation operates throughout Australia. I congratulate the people concerned for moving with some dispatch. There is no known case of the drug having been found in this State. However, it has been a matter of concern since the unfortunate occurrence in Queensland. All authorities should be commended for their action.

PAYROLL TAX - REDUCTION PLANS

576. Mr THOMAS to the Premier:

Before the last election the Government boasted a plan to abolish payroll tax within two terms. Will the Premier confirm that the commitment remains and that if the coalition wins the next state election payroll tax will be eliminated within four years?

Mr COURT replied:

The Government has a financial strategy that it has been implementing for four years. That strategy was designed to get the State's debt situation under control. As a part of that the Government has had to address both the expenditure and revenue sides of the equation. It has always been the Government's preferred position to eventually remove payroll tax. As the member will know, when the coalition gave the commitment at the time, a taxation package - the Fightback package - had been put forward that, if implemented, would have seen payroll tax abolished. That did not happen: The Government was not elected at that poll and taxation reform of that nature has been taken off the agenda.

We have done what we can as a Government to lessen the State's dependency on payroll tax. It is one of the major sources of revenue to the Government. It will be difficult for the Government to remove payroll tax completely without having some financial reforms agreed to with the Federal Government. This Government has a clear financial plan that it has been working to for four years, and it has a financial plan that it will work to for the next four years. That will include the Government continuing to reduce the level of debt in the State. Perhaps I can ask members opposite a question: Would they have a financial plan for their next four years of government?

Opposition members interjected.

The SPEAKER: Order!

Mr McGinty: Tell us about payroll tax.

The SPEAKER: Order! I formally call to order for the first time the Deputy Leader of the Opposition.

Mr COURT: I will return to payroll tax in a minute. The Deputy Leader of the Opposition has accused me of having an obsession with debt.

Mr McGinty: I said you had broken a promise.

Mr COURT: First, the Deputy Leader of the Opposition has asked the Government about its financial situation.

Mr McGinty: You should come clean on it. You've been asked about payroll tax. Are you going to honour your promise or not?

Mr COURT: I have just answered the question. I said that it would be difficult for us to do that without getting an agreement with the Federal Government. The threshold for payroll tax when this Government came to office was \$375 000. It is now \$625 000, and the only State with a higher threshold for this tax is Queensland at \$750 000. This Government has moved to lift the threshold considerably. Members opposite are asking questions about financial matters, which I am willing to answer. The Government has stuck to its financial plan. It promised to control debt. I ask the Deputy Leader of the Opposition whether he supports the Government's debt management strategy.

Mr McGinty: Will you undertake to honour your undertaking to abolish payroll tax? The answer is no.

Mr COURT: The Deputy Leader of the Opposition will not answer.

Mr McGinty: The question was put to you.

The SPEAKER: Order! It is difficult for me to call to order a member who is interjecting at length when questions have been specifically directed to him. That is the situation at the moment and it inhibits me from keeping order in the House. The time is approaching when the Premier should conclude his answer.

Mr COURT: The Government has moved as quickly as it can to reduce the State's dependency on payroll tax. It would prefer not to have payroll tax, but it will be difficult to remove it completely within four years unless some agreement can be reached with the Federal Government. In the meantime, I make the point that this Government has met all the detail of its financial plan to deliver to this State balanced Budgets and to ensure that the State's dependency on debt is reduced.

Mr McGinty: Broken promises.

Mr COURT: It is interesting that members opposite cannot answer the simple question of whether they support the Government's debt reduction plan.

PAYROLL TAX - REDUCTION PLANS

577. Mr THOMAS to the Premier

Given the Premier's comments, can he explain the detailed notes tabled in this Parliament yesterday by the Deputy Premier, relating to the \$2.9m support package for Joe White Maltings Ltd, in which he stated -

Continued collection of payroll tax of \$100,000 over five years (\$142,000 over seven years) . . .
(Calculation based on existing rates of payroll tax increasing at 2 per cent per annum)

The document revealed that the Government is planning not just to retain payroll tax, but to increase the take from payroll tax by an extra 2 per cent a year. Is this Government leading business up the garden path?

Mr COURT replied:

I will explain in simple terms. If a business employs more people and has a higher payroll, it will pay more tax. It is just the way that level of taxation works. In relation to incentives for industries, in some cases negotiations have taken place and agreements have been reached that certain payroll tax incentives will be offered. It is the Government's preferred position to reduce by a great deal more the State's dependency on payroll tax, and it would like to see an across the board taxation reform package put together that improves the commonwealth-state financial arrangements.

WESTERN POWER - BALLAJURA, POWER OUTAGES

578. Mrs PARKER to the Minister for Energy:

- (1) Is the Minister aware that the residents of Ballajura are subject to regular power failures, ranging from one to 45 minutes? The most recent power failure occurred on Friday evening, 11 October for about 45 minutes.
- (2) Will the Minister advise what is causing the problem and what action is being taken to remedy it?

Mr C.J. BARNETT replied:

- (1)-(2) As the member gave advance notice of this question, I was able to look into the matter. Therefore, I am aware of the power outages that have occurred in Ballajura. Western Power has identified the problem, which is located in a 250 metre section of underground cable. It is currently investigating how best to rectify the problem. It will be fixed.

WHITBREAD YACHT RACE - YACHTING SYNDICATE BASED IN FREMANTLE, NEGOTIATIONS

579. Mr McGINTY to the Premier:

- (1) Has the Government been involved in negotiations with any yachting syndicate to base its operation in Fremantle and participate in the next Whitbread round the world yacht race?
- (2) If so, what are the details?

Mr COURT replied:

- (1)-(2) The Government has been involved for some years in negotiating with different groups trying to get an Australian or Western Australian based syndicate. Some negotiations are currently taking place but at this stage those matters are confidential because they are not yet completed. The people running the Whitbread round the world yacht race are using Fremantle as a port of call. They have made the point to us over many years that an Australian syndicate has not participated in the race. New Zealand has been one of its strongest supporters. The organisers have been trying to persuade us to assist in putting together something from Australia. At this stage some negotiations are taking place. If they are successful, the member for Fremantle will be very pleased because it will involve strong local community involvement at Fremantle. If negotiations are concluded I will be only too willing to give the member for Fremantle a briefing.

WHITBREAD YACHT RACE - ELLE YACHTING SYNDICATE, NEGOTIATIONS

580. Mr McGINTY to the Premier:

- (1) Has the Government negotiated with the Elle yachting syndicate in an attempt to have a yacht based in Fremantle for the race?
- (2) Is it true that the Government has offered to pay the syndicate's race expenses to the value of approximately \$1m?
- (3) Is the Government also negotiating with Elle Macpherson to host a series of new television commercial tourism promotions in Western Australia?
- (4) If so, notwithstanding Elle Macpherson's great personal popularity, why does the Government believe that we need a Sydney supermodel to attract visitors to Western Australia when we have so many beautiful and unique homegrown attractions?
- (5) What payment has the Government offered Elle Macpherson for promoting tourism in WA?

Mr COURT replied:

- (1)-(5) I understand negotiations have taken place with a number of syndicates. When I was the Minister for Tourism a number of groups -

Mr McGinty: The yacht is in the harbour; there is no need to be coy about it.

Mr COURT: It has come from South Africa. As a result of the negotiations, community involvement will benefit Fremantle. If negotiations are successful, when the member for Fremantle sees the details of the proposal he will be supportive of it.

Mr McGinty: Is it a seven figure sum?

Mr COURT: As I said, if a contract is concluded I will provide the member for Fremantle with all the details. A component of that proposal is that his constituents will make a contribution towards the event. It is yet to be finalised. When it is, I will be only too willing to inform him.
