



WESTERN AUSTRALIA

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THIRTY-FIFTH PARLIAMENT
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LEGISLATIVE COUNCIL

Thursday, 6 May 1999

Legislative Council

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

STANDING COMMITTEE ON PUBLIC ADMINISTRATION REPORTS ON DAIRY ADJUSTMENT ASSISTANCE SCHEME

Endorsement of Recommendations - Motion

Resumed from 5 May on the following motion -

The Legislative Council endorses the recommendations of the third and sixth report of the Standing Committee on Public Administration into the dairy adjustment assistance scheme and in particular requests that the Minister for Primary Industry pay further assistance to former vendors, in accordance with the guidelines recommended by the committee in its sixth report, as soon as is administratively possible.

HON HELEN HODGSON (North Metropolitan) [11.03 am]: Yesterday I was canvassing some of the comments and recommendations in the various committee reports on this matter. I mentioned the fact that the third and sixth reports had made some recommendations about, firstly, the need for compensation and, secondly, the form that that compensation should take, which is based on the capital value of the vendor's business.

The next step obviously is under standing orders. When the minister is asked to take action on a matter, he is required to respond and advise what action has been taken. In due course the Public Administration Committee received a letter stating that the minister had noted and was acting on the committee's recommendations. That was promptly followed by correspondence from milk vendors asking what was going on. The minister put an offer which did not seem to be what the committee recommended. The committee then had another look at it and decided to identify what was the offer and whether that complied with the committee's report. That work resulted in the committee's tenth report, which was tabled in December 1998. I draw the attention of members to pages 5 and 6 of that report which summarise the previous recommendations of the committee and the additional assistance offered by the minister. The offer of additional assistance did not include the full compensation that the committee recommended. By operating only within the distribution adjustment assistance scheme, the minister used, in essence, a statutory "out"; he said that he was not required to provide the full compensation and was required only to operate within certain guidelines. His offer continued only to provide additional assistance with respect to the licensed product; it excluded non-licensed products from the calculation and did not reflect the capital value of a vendor's former business. All it did was to extend the daily per unit margin. I will return to the methods of calculation in due course.

The committee was clear that the intention of its original reports was not acted upon by the minister. The issue was raised whether the distribution adjustment assistance scheme could be used in that way, because it was set up as a statutory scheme. The committee's recommendation in its third report on the matter - that is, its tenth report - is that the minister should consider amending the legislation and/or the DAAS guidelines to enable the funds to be used to supplement any payments received by the former vendors under DAAS, or that he should provide an ex gratia payment to compensate vendors being compensated in accordance with the committee's recommendation, which was that the former vendors should be compensated for the capital value of their business, of both licensed and non-licensed trade, prior to deregulation. I do not think we can be more specific than that. We have said, firstly, if there is a legislative bar, fix the legislation; and, secondly, if there is no legislative bar, other means are available to address it. It is clear that the Government has a moral obligation to fix the issue. If an ex gratia payment is necessary, that method should be adopted.

I have a letter from the minister to one of the milk vendors. The milk vendor approached the minister and said, "What are you doing? Are you looking at the tenth report?" It is clear from this letter dated 17 March 1999 that no further assistance will be given to milk vendors, even in spite of the recommendations in the tenth report. I will quote from the final two paragraphs of the letter. The minister states -

The level of this further assistance is in accordance with the recommendations in the Legislative Council's Standing Committee Report.

I am not prepared to change the basis of assistance from that agreed to, following my consideration of the Legislative Council's Standing Committee Reports.

The letter is addressed to Mrs Robin Hinricks. It was written after the committee's final report was tabled. It is clear that the minister is, firstly, not recognising that the committee has specifically stated in its report that it does not think the offer was in accordance with the recommendations and, secondly, he is ignoring the further recommendations that other ways are available to address this situation. As I have already said, this whole issue arose from the advent of the Dairy Industry Amendment Act. I researched the debate which took place when the Act was passed. The Act was supposed to facilitate reconstruction and deregulation of the industry.

Section 91, which set up this scheme, was the only contentious section. It allowed the Commonwealth Dairy Industry Authority to make payments to the existing vendors and distributors who were affected by the reconstruction. I am sure other members will speak about the events in the Chamber at the time, but my reading of *Hansard* indicated that it generated some heat. A couple of government members crossed the floor and voted against this section. Unfortunately, one of them is no longer present, but the other member may still be a member of this Chamber. That indicates that, at the time it was passed, government members recognised that it would have a serious impact on milk vendors. They recognised that it was not in the Government's interest to be hitting a sector of small business; but that is what it is doing. It is taking away people's

businesses. We have a Government, which supposedly stands for free enterprise and encouraging the small business sector, effectively setting in place a mechanism which will take away part of that business and not give fair and just compensation in the process.

The arrangement of the distribution adjustment assistance scheme was funded initially by a contribution of about \$7m from the Dairy Industry Authority. However, that funding was repaid by virtue of a levy of 2¢ per litre which was placed on milk sales. Although the authority put in the initial funds to set up the scheme, the cost burden has been transferred to consumers. I have no quibble with that, except when officers of the authority claim that the amount put in by the authority in the first place is the cause of the financial difficulties that the consumers may have experienced in the meantime. Although there was a funding issue in the first instance, it is clear that that funding issue is well and truly dealt with by the mechanism for collecting the levy from consumers.

I asked a number of questions in this place last year to try to find out what was the story with the funds in the DAAS. It is clear that about \$4m is still available in the DAAS. It is hard to be precise because some offers have been made since last year. When the minister speaks on this motion, I would like him to give an updated figure of the funds that are available in the DAAS; it seems to change from week to week. Not only was \$4m still available in the DAAS, but also the amount that was collected through the levy exceeded the amount that was paid out. We effectively have a windfall to the Dairy Industry Authority because the levy is going through its books. There is also a further question: What will happen when the DAAS is fully paid out and all milk vendors have been compensated in accordance with the rules? Will there be any reduction in the price of milk when the levy is lifted? I am sure consumers would be interested to know about that. My suspicion is that the levy will be lifted, but the price of milk will remain the same. Who will benefit from that? Presumably the dairies, which are making the profits in the first place. That is a separate issue, but it is relevant to the question of the use of the funds that are collected through the levy.

Hon M.J. Criddle: How should we deal with the issue of the dairy industries?

Hon HELEN HODGSON: Once the levy has been fully utilised and the distribution has been paid out, it will be clear that the levy has been lifted and the price of milk should be adjusted accordingly.

Hon M.J. Criddle: No, you missed the point. You are saying that the dairies have benefited from this. How should that issue be addressed?

Hon HELEN HODGSON: That was one of the consequences of the total restructuring in the 1994 Act. We cannot take the rounds off the people who now have them and give them back to the people who lost them, unfortunately; but we can make sure that real compensation is paid. I note that the dairies have not come off scot-free in all of this. Yesterday I referred to a legal case in which a Mr Nagey won a common law case on the grounds of misrepresentation on the part of the dairy in the contractual arrangements. That option is not open to everyone, but it shows the attitude of Masters Dairy and Brownes Dairy Pty Ltd, the two dairies in this State that benefited from this. It shows that they are not blameless in this issue. There is a question of the proper use of the funds that are being collected from the levy. There is money in the DAAS, but we cannot pay it out because the rules do not allow it to be paid out in this way. We are collecting more from the levy, and that is reimbursing them from the DAAS; yet people are still losing out. It seems nonsensical on a financial basis that we are collecting money and the people who lost out are not benefiting from it.

Moving on to another complex aspect of this issue, the licence arrangements are significant in this arrangement. Yesterday I referred to the fact that some milk vendors had a licence to distribute a particular type of milk; that is, white milk. The licence for the white milk product allowed them to purchase it from the dairies and distribute it. It also gave them access to a market for other types of products; that is, coloured milk, skim milk, orange juice and yoghurt - all of the things we can get from door-to-door delivery. I should qualify that because we are not talking just about household delivery agents; we are also talking about shop distributors. I will pick up that issue in a moment because there is a difference in the way they have been treated, and that difference is part of the problem that is before us.

Hon M.J. Criddle: That is the very essence of it: The licence.

Hon HELEN HODGSON: As I said yesterday, I have had indications that, in the 1980s, the licence did not depend on whole milk. I received further correspondence this morning that indicated the terms of licence. The licence that was granted in the mid-1980s specified the right to purchase milk and milk products from a particular dairy. Is cheese a milk product? Is yoghurt a milk product? Is chocolate milk a milk product? At some stage in the renewals of these licences - I have not tracked down the date - they were changed to reflect white milk. Now these people are compensated only on the basis of white milk, when their original licences of 10 years ago were for milk and milk products. These licences authorise people to buy from a particular dairy and distribute in a particular area. No reference was made to the distinction between the types of produce involved. As I have said, if the vendors do not have access to white milk, they do not have a business. We cannot say that the value of a mixed business is based on only one part of that business. If members went to the supermarket and asked what the business was worth, they would be told what the business was worth with its assets; that is, the canned goods, fruit and vegetable and meat sections. That is the value of the business. Just because one part of the business is regulated in a different way, it does not affect the value of the business as a whole. That is why the committee is adamant that we must look at the capital value of businesses.

Two types of milk vending businesses are affected; the vendor trade, more simply conceptualised as household trade, and the wholesale trade, which is basically the shop distributor trade. These businesses have totally different profiles and it is where one of the core problems has arisen. In the original dairy adjustment assistance scheme payout in 1995 the wholesale trade - the shop round milkos - was compensated at the rate of \$50 per daily litre and house round milkos at the rate of \$20

per daily litre. When the offer was revised in 1998 the shop round milkos suddenly became entitled to \$79.86 per daily litre, an increase of 59 per cent, and the house round milkos became entitled to \$188.34 per daily litre, an increase of 840 per cent. There is therefore a reversal in the balance of the original offer where the shop round milkos were compensated two and a half times more than the house round milkos. In the 1998 revised offer the house round milkos were compensated nearly two and a half times more than the shop round milkos. I cannot work out the basis for these figures. It seems to indicate that there is something dramatically wrong with the mathematics and calculations being made.

Hon M.J. Criddle: There is not much wrong with the way in which the valuation is arrived at.

Hon HELEN HODGSON: I will come back to the valuation issues shortly. In my questions last year after this offer came out I asked about the number of people who accepted the subsequent offer. Understandably, a few people accepted the increased offer last year. It is my understanding that the majority of those people were the household milkos who suddenly received a windfall of considerably more than they were originally entitled to under the 1995 payout. It is still about thrice the original valuation placed on those businesses back in 1990. However, the two types of businesses definitely have different profiles and the offer that is currently in circulation does not truly reflect those profiles. It has distorted the position even more, has made some milk vendors feel even more aggrieved and has widened the difference between people who have and have not benefited under the restructuring.

The valuation of a business is a complex issue and one that the committee had difficulty in coming to grips with. We tried to find different methods of valuation but we concluded by considering the proposal distributed by ACIL Australia Pty Ltd in 1990 which looked at the average capital value of milk distribution businesses in selected Australian capital cities. Extracts of that report have been attached as an appendix to the tenth report. Essentially, we incorporated a number of tables on the transactions of household milk delivery businesses, the average price paid for household milk delivery businesses in the metropolitan area, transactions of shop milk delivery businesses and the average price paid for shop milk delivery businesses. That gives a comparison with the differences I just raised between shop and household rounds. Members will find that the offer made last year, which incorporated a huge discrepancy between shop and household businesses, cannot be justified on independent figures that were compiled back in 1990.

Hon M.J. Criddle: Which one do you think is?

Hon HELEN HODGSON: I will read some of the figures into *Hansard*. Table 9 of the report entitled "An Adjustment Assistance Scheme" by ACIL Australia Pty Ltd considered the comparison of the average capital value of milk distribution businesses in selected Australian capital cities as at December 1990. The report indicates that in Perth in December 1990 the household trade was paid \$50 and shop trade \$156 per dollar gross weekly profit. It is therefore clear that the shop trade is worth thrice the household trade according to the ACIL figures of 1990. If a different calculation is based on the dollars paid per litre delivered daily, the household trade was worth \$52 and the shop trade \$128. That is still a two and a half times multiplier discrepancy in favour of the shop trade. The offer that the minister has circulated gives the house round milkos two and a half times the compensation of the shop delivery milkos. Something is definitely wrong in the way the minister has now calculated the amended adjustment when one refers back to the 1990 figures.

Hon Christine Sharp: Is any explanation given for that?

Hon HELEN HODGSON: No, I have received no explanation from the minister. The committee took evidence from the arbitrator and from Mr Adrian Scott, the General Manager of the Dairy Industry Authority. The public evidence is available but some of the evidence was taken in camera.

I have not addressed the role of the arbitrator in this matter because to start with the arbitrator was in a difficult position. There is a role for an arbitrator to step in when a person makes a special claim that he is entitled to a figure that is different from the offer. In a few cases the arbitrator has awarded extra amounts; however, basically the arbitrator's hands were tied by the fact that he believed he had to work within the rules of the scheme. In trying to work within that framework, we have perpetuated the inequities in the structure of the whole scheme.

However, it is clear that a group of people are seriously aggrieved. In past years a number of people have dropped out of the fight because they either could not continue the battle or have accepted what they believe to be a fair valuation for their business, whether it was the earlier or later valuation. However, there is still a significant number of people who are so seriously aggrieved that they do not believe they have received fair compensation. This committee agrees that they have not been compensated in either a fair or rational manner. Basically, there are anomalies in the way in which the formulas have been applied and those anomalies have resulted in inequities between the different groups of milk vendors affected by the redistribution. Many of these anomalies and discrepancies could be dealt with by either reforming the rules of the DAAS or by making ex gratia payments to the vendors.

The money is there to do it, and the committee has said that we should be looking at compensation or, if we cannot call it "compensation", an ex gratia payment. That compensation should reflect the capital value of the business. The committee has provided statistical data to calculate the capital value of these businesses, but we still see these huge discrepancies that have resulted in much stress and anguish and many very disillusioned people. These are small businessmen who felt that they were entitled to operate a business and that this Government would protect and assist them and who believed in the principles of competition. They have seen these supposedly competitive reforms result in reduced competition in the marketplace, but that is another issue. They have now come to this place asking for justice.

The committee has done its job; it has handed down reports and made recommendations to the minister. That is the point on which I will conclude my contribution. A point I have not yet addressed is the role of the committees of this House. This committee has expended much time and energy, it has experienced much anguish and it has talked to many people. It has

done its job; it has produced reports pointing out the problems and recommending courses of action, but the minister has not carried through on those recommendations. I recognise that constitutionally we cannot force anything on the minister, and I recognise the limitations on powers because of the Supply mechanism - that is a necessary part of the Westminster tradition. However, when I see a minister who is denying that he has not followed the committee's recommendations, who has been approached often by members of this House and the people affected by this situation, who has had an opportunity to read and analyse the committee's reports and who blindly says that this further assistance is in accordance with the recommendations in the committee's report, it makes me wonder about the real powers of the committee system. That is an essential part of the argument that in itself does not bring justice to the aggrieved milk vendors. However, it is an argument that this House must take seriously. This committee is trying to ensure fairness and equity, but the minister is not abiding by its recommendations.

HON KIM CHANCE (Agricultural) [11.34 am]: I find it hard to express how strongly I feel about my support and that of my opposition colleagues, and I am sure some government members, for this motion. In a sense the argument in support of the motion is already expressed in the committee's tenth report, which recommended the endorsement of the committee's findings in the third and sixth reports.

In summary, the committee stated in recommendation 5.1 of the tenth report -

That the principles of the Committee's recommendations in the Third and Sixth Reports be endorsed.

This was a unanimous report. Recommendation 5.2 states -

In the absence of an appropriate response to the Committee's previous recommendations, the Committee repeats its recommendation that **compensation** should be paid to the former milk vendors to reflect the **capital value of the business** prior to deregulation.

In light of developments (in particular the legal advice received from the Minister and his decision based on that advice) which have occurred since the publication of the Third and Sixth Reports, the Committee considers that the most appropriate yardstick is that specified in the ACIL Report which provides:

5.1.2 For metropolitan rounds:

- . Shop rounds, to be valued at \$128 per daily litre for all licensed milk and licensed milk products.
- . Household rounds, to be valued at \$54 per daily litre for all licensed milk and licensed milk products.

These amounts should be the approximate outcome of calculating the annual gross margin of a business (both licensed and non-licensed products) by an appropriate multiple to determine the capital value of a business as it is then allocated to litres of licensed milk and licensed milk products distributed. This was the long established practice for determining the capital value of rounds prior to deregulation.

The report then details the reasons for the ACIL Economic and Policy Pty Ltd recommendations.

The committee's decision ultimately to revert to that old ACIL formula - the ACIL report goes back to 1991 - was as much driven by its frustration at what has become a long and tedious process as it was by recognition of the legal advice which had been received by the minister and which is referred to in correspondence between the committee and the minister and reported in appendix 3 of the tenth report.

In acknowledging the legal advice, the minister has advised that the Crown Solicitor has indicated that the minister is precluded from providing further assistance on the basis of the wording of the three distribution adjustment assistance schemes. The minister's letter is dated 1 December 1998. It is not necessary for me to go into the detail of that advice because, as I said, it is provided in the third appendix of the tenth report, but I will mention the general substance of it. The Crown Solicitor's advice as confirmed to the committee by the minister is in essence -

In relation to the questions that you raise in your letter, my office has received advice from the Crown Solicitor's Office advising that the wording of the three schemes restricts assistance so as to relate only to sales of licensed product.

I will not take on the Crown Solicitor, but I will expand a little on an issue raised by Hon Helen Hodgson when she said that these licences were not so restricted. The member was referring to the wording of the licence as it was issued. I will take members through that wording very briefly. A licence provides -

THIS IS TO CERTIFY that each of the persons named above is licenced by the Dairy Industry Authority of Western Australia under the provisions of section 52 to 60 of the Dairy Industry Act, 1973-1983 in the district known as GOSNELLS DISTRICT NO. 177

SUBJECT TO THE CONDITIONS ENDORSED HEREON

- (1) The licensee(s) shall purchase dairy product (as defined in the Dairy Industry Act 1973-1983) from:-
MASTERS DAIRY, BROWNES DAIRY PTY LTD.

There are other conditions, but that is the key condition. Members should remember that the Crown Solicitor has said that

because the wording of the three distribution adjustment assistance schemes was as it was, the minister has determined that he can compensate in respect of only licensed and not unlicensed product.

I turn now to the definition of "dairy produce" in the Dairy Industry Act 1973. That Act states at page 4 that -

"dairy produce" means any substance declared to be dairy produce for the purpose of this Act, and "product" shall be construed accordingly;

That definition is very broad. The Crown Solicitor is saying that we cannot compensate the former vendors for that amount of their business which was predicated upon non-licensed product; for example, coloured milk, which forms a major part of their business. However, the definition of "dairy produce" in the Act which applied at the time those licences were issued is much broader than we have ever been led to believe.

Hon M.J. Criddle: That is the first time I have heard that definition.

Hon KIM CHANCE: And I also, because I have only just looked at it.

The definition is very wide, and it probably leaves it open for a declaration to be made in regulations under the Act; I have not been able to go down that path. The 1973 Act also defines "milk" and a number of other products. It is interesting that one of those other products is filled milk. The Act states that -

"filled milk" means -

- (a) any liquid or powder, however described, containing -
 - (i) the non-fat solids of milk; and
 - (ii) any fat, other than butter fat; and
- (b) any liquid or powder which is filled milk by virtue of conforming to any prescribed chemical or physical criteria for filled milk;

That is again an indication that the definition of milk may be much broader than we had thought previously. The Crown Solicitor may have believed that he had no reason to look into that old Act. However, the licences that we are talking about were issued under that old Act. I have thrown that in, because that is something we discovered only recently.

Two issues remain unanswered after considering the Crown Solicitor's advice. The committee has always held in its third and sixth reports that while the administrative and arbitration mechanisms of DAAS are appropriate to administer the payment of compensation, DAAS is not an appropriate format for the calculation or payment of compensation. The logic of that is simple, and it goes back to the basis of the committee's third report, which states at paragraph 6.1.1 that -

There is little argument that significant losses have occurred on the part of some of the milk vendors. It is acknowledged by the Minister that the DAAS payments were never intended to provide for full compensation to the milk vendors.

That was a fundamental part of the second reading debate on the Dairy Industry Amendment Bill. It continues -

In fact, the DAAS system was never intended to offer 'compensation' at all. The Government claims that DAAS is not a compensatory measure, but rather an 'aid to adjustment'.

That is consistent with the Government's position throughout all of that debate.

Hon M.J. Criddle: That was also consistent with the earlier committee decisions.

Hon KIM CHANCE: Yes. DAAS has always been designed to be an adjustment formula and specifically not a compensation mechanism, and that was made clear by the Government when the implementation of DAAS was first debated. The minister's position, based as it is upon the Crown Solicitor's advice, would be true only if the DAAS formula were augmented and if the recommendation of the committee were that the DAAS formula be augmented. However, that is clearly not what the committee has recommended. The committee states in paragraph 6.3.1 of its third report that -

The Committee concludes that full and fair 'compensation' should have been provided, and that a moral and ethical duty exists to ensure that the former licensed milk vendors are fairly recompensed for the loss of property rights which occurred as a result of the altered legislative arrangements.

Two distinctly different propositions are before us: The aid to adjustment, which is contained within the DAAS mechanism; and the requirement for full compensation, which is the committee's position. The committee has said that the aid to adjustment is not a compensation mechanism; and we all agree on that. The committee has said also that the aid to adjustment has failed to deliver appropriate compensation, and it has determined that there is a need for full compensation.

Hon M.J. Criddle: You need to bring into that the fact that in the earlier decisions we were well and truly aware that we were compensating for white milk rather than coloured milk. That was always a difficulty.

Hon KIM CHANCE: I think the minister would rather he had not used the word "compensation" -

Hon M.J. Criddle: Adjustment.

Hon KIM CHANCE: - because that confuses the issue. The fundamental point of this issue and the reason that the

committee has determined that there is a need for full compensation, not just adjustment, is that we recognise that our actions as a Parliament have caused damage to persons, that the adjustment mechanism does not provide adequate repair of that damage, and that we should now, as we should have done much earlier, repair that damage. In other words, the committee has held that full compensation and not just adjustment is justified.

In that light, the Crown Solicitor's advice perhaps addressed the wrong question. We did not ask for a more generous DAAS. We asked for something quite different. In seeking compensation, we are saying that mere adjustment will never cover the losses that these people have incurred as a result of our actions. In a sense, we are not disagreeing with the Crown Solicitor, in that we agree that DAAS cannot somehow be extended to become what it was never designed to be - namely, a compensation package - but we believe that compensation must be paid and we must take that next step in the interests of justice.

The second unanswered question from the minister's letter in appendix 3 of the tenth report is the matter of ex gratia payments, which was raised with him in the committee's letter of 24 November 1998. The minister states in his reply that the question of ex gratia payments was not raised with the Crown Solicitor and it remains, therefore, a moot point. We all understand the discretion which is available to Cabinet in respect of ex gratia payments. It is a simple question of determining whether such a payment is justified. None of us has to match wits or legal skills with those of the Crown Solicitor on this matter, because I do not believe that any complex legal questions arise. No legal impediment whatsoever prevents the Government of Western Australia from paying to the former milk vendors full and fair compensation for the losses that they have suffered as a result of our decision as a Parliament. The status of the distribution adjustment assistance scheme is a red herring, as the scheme has no relevance to the issue of compensation. That point has been acknowledged from the beginning. Compensation could be authorised by Cabinet next Monday if it so wishes. I have no patience for the arguments to the contrary, some of which have been quite spurious.

Let me put this complicated issue as simply as I can. Legislation passed in 1994 caused people to suffer the loss of their life savings, their income, their businesses and, in some cases, their health. A component of that legislation was an adjustment mechanism called DAAS. Payments made under DAAS amounted to a part of the value of the businesses. In some cases the shortfall between the amount offered and amount the businesses were worth at the time was \$350 000 of dead loss. The capital value of the businesses did not dissolve. Sometimes this is the hardest point on which to convince people: The capital value dissipated on the passage of the legislation, but it did not disappear as it was collected by other people. It was absorbed by third parties, who were able to gain contracts under the new system. On absorbing this capital value, the lucky contractors could on-sell the business value with no cost to themselves. This is where the question of justice arises: Those who were awarded the contracts took over the inherent value of the assets of the former licensees' businesses at no cost, and they were free the next day to turn around and sell them and realise the value of the capital. Also, the value of the sales approximated the value of the businesses taken from the former vendors. Therefore, we are not talking about a salvage value, but a business value. This view is based on the committee's investigation of advertisements for sales of those businesses, and on discussions held with business brokers at the time and later. The value was not discounted in any sense from the former value as licensed businesses. The contracts changed hands at about the value - not being specific - of the businesses prior to being taken away from the people presently in the public gallery.

These former vendors sought help. The Standing Committee on Public Administration ultimately published the third report, which unanimously upheld their claim. The committee recommended full and fair compensation, but did not specify a mechanism for that payment. When the third report came to Parliament, the committee was directed to report further on how the payment should be calculated. This resulted in the sixth report, which itself was the outcome of extensive consultation with the industry and business brokers. The sixth report recommended that compensation should be calculated on the basis of an assessment of the capital value of the business prior to deregulation. That point is made in paragraph 2.1.1 of the report. Regarding the calculation, the committee pointed to the industry practice of valuing businesses on the basis of the gross annual return multiplied by a number of years' trading - that number varied between two and four years. Also, paragraph 3.6 is clear in expressing the committee's view that the capital value of the business includes trade in all milk and all milk products. That is an important distinction.

The Government's response to the sixth report was to not meet the committee's principal position that compensation should fairly recompense the loss. That point is made in paragraph 6.3.1 in the third report. Indeed, it fell far short of the value of the businesses before they were taken away from the former licensed vendors. The committee's recommendations were selective and cynically implemented in order to directly disadvantage the former vendors. In every case, the committee's minimum position was implemented without any regard for the overriding recommendation that full and fair compensation be made for the loss of capital.

At this stage it was September 1998, three and a half long years after the vendors had lost their living. On 10 September 1998, the committee tabled its tenth report, in which the committee detailed the sad process of manipulation and blundering which took place in dealing with the third and sixth reports. For example, paragraph 2.2.3 of the tenth report related how Mr Adrian Scott, the General Manager of the Dairy Industry Authority, read the committee's recommendations. The report reads -

Mr Scott was insistent that extension of the daily unit margin was a logical way of expressing the Committee's intentions and achieving a "capital value of a former business." However Mr Scott, and the resulting offer of additional assistance, have not recognised the inbuilt flexibility and discretion in the Committee's recommendation at paragraph 2.1.2 of the Sixth Report that "a multiple of no less than two and no more than four to obtain a base figure" for each business. As stated by Mr Scott *"We took the view that the Committee had recommended that it be based on two years of the gross margin."*

That was despite the fact the committee report was clear in specifying a multiplier of between two and four. Continuing -

Accordingly the offer applies a multiple of two to all businesses and does not differentiate between businesses with shop trade or household trade or a mixture of those types of rounds.

That is the kind of cynical dealing which the third and sixth reports in particular have had from the DIA. It was misunderstood, which is the kindest thing I can say; misrepresented is probably closer to the mark.

Paragraph 2.1.2 of the tenth report outlines that Mr John Negus, the arbitrator, had not understood the committee's clear distinction between the adjustment function of DAAS and our recommendation for a compensation payment.

Hon M.J. Criddle: There you must distinguish his role from what he could actually do with regard to the legislation.

Hon KIM CHANCE: That is true. However, my point concerning Mr Negus' performance is that he did not seem to be able to distinguish between the two factors. Paragraph 2.1.5 demonstrates that point, as does 2.1.2 which reads -

Mr Negus did not perceive a conflict between that role and his role as the arbitrator in matters pertaining to DAAS because he believed that the only rulings which he gave on the scheme were in respect of hardship claims by people in relation to which he followed certain guidelines given to him. It appeared to the Committee that Mr Negus viewed the Committee's recommendation as a simple extension and augmentation of the DAAS provision.

It never was the case. The committee was very clear on this point: DAAS went so far, but not far enough. The committee's recommendation was for compensation which went beyond that. Paragraph 2.1.5 reads -

The reason for the choice of calculating the offer of additional assistance by means of extending the daily per unit margin was that Mr Negus saw that as the logical way of reflecting the Committee's recommendations in that the figures were readily available as they had been submitted to the DIA by the former milk vendors in the initial stages of DAAS. In doing this Mr Negus has set aside the Committee's principal view that compensation should reflect the capital value of the vendor's former businesses, as he only addressed licensed product and did not differentiate between household and shop rounds.

Mr Negus, as the Minister for Transport pointed out, may have felt constrained by the parameters given to him within which he was to operate. Nonetheless, the point I make with respect to the input from Mr Scott and Mr Negus is that they clearly did not understand, and did nothing to assist, the administrative effectiveness of the committee's report. Perhaps the worst outcome of the further assistance package, which was one of the later versions of DAAS, was the complete hash made of the calculation of the relative values of shop and household rounds. The sixth report was clear in its intention that, in order to reflect the actual capital value of the former businesses - that is the prime consideration - a base figure had to be calculated using a multiple of between two and four years. That would be applied to the annual gross margin in order to achieve a fair reflection of the capital worth of the business at that time. It is a normal, everyday means of valuing a service business of this nature. It is clear that some types of business have a higher value pro rata their daily volume turnover than others. In particular, the high cost household rounds have always had a lower per litre capital value despite their higher gross margin per litre earn.

Debate adjourned, pursuant to standing orders.

COMMITTEE REPORTS - CONSIDERATION

Committee

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

Joint Standing Committee on Delegated Legislation - Taxi Amendment Regulations 1998

Hon N.D. GRIFFITHS: I move -

That the report be noted.

We are dealing with the thirty-ninth report of the Joint Standing Committee on Delegated Legislation which deals with the Taxi Amendment Regulations 1998. I shall make some observations on the report for the purpose of highlighting to members what the committee did with respect to this important issue and how it treated the regulations. More particularly, I shall point out a number of issues which arose in the course of the committee's examination of the regulations, although those issues in themselves are not strictly related to the content of the regulations. The purposes behind this are, first, in accord with the practice of dealing with committee reports, to acquaint members with the work of the committee and to invite them to note it. In this case it is also to encourage members to put their minds to the issues which the report raises, with a view to taking action when and if it should be necessary, if the various matters raised, insofar as they give rise to difficulties, do not lead to those difficulties being resolved within a reasonable time. I note that the Minister for Transport has an interest in these matters and quite properly so.

The report of the committee is not a critical report in a negative sense, but it is a report which seeks to be constructive and I trust that the comments I make in outlining the report will be taken in that light. The report sets out succinctly what is involved in the regulations, and it annexes to it the regulations themselves. The regulations will provide penalties for a driver who knowingly enters incorrect information on a taxi users subsidy scheme voucher, and make it an offence for a passenger

to fail to pay a taxi fare at the end of hiring or to fulfil a prior agreement made with the driver in relation to payment of a fare. The regulations deal with that, but the offence itself is covered by the Act. The regulations provide valid reasons for a driver to refuse a taxi hiring; impose requirements on a driver to advise the Taxi Dispatch Service of location details to facilitate the efficient allocation of requests for taxis; prohibit drivers from interfering with the surveillance cameras fitted to the taxi; make it an offence for a driver to leave a taxi unattended at a taxi rank; and, allow infringements to be issued for breach of the regulations.

The process undertaken by the committee, following normal committee consideration, was to hear evidence from a number of taxi drivers. That evidence was taken orally, and one of the taxi drivers provided a written submission. Following that, oral evidence was taken from officers of the Department of Transport, including Mr Leicester, Manager, Metropolitan Taxi Unit, to whom I will refer shortly. Following that oral evidence, a written submission was received by one of the officers, Mr Maughan, in answer to the written submission received from the taxi driver. In fact, he addressed the points set out in the submission from the taxi driver, Mr Faigen. The report of the committee sets out at pages 3, 4 and 5 the concerns raised in the taxi driver's written submission and the answers provided by the departmental officer. Following that process the committee was of the view that the matter of whether the regulations should be disallowed in whole or in part need not be taken further. The issues arising from the regulation of the taxi industry are of great public interest, and a number of those issues arose during the committee's examination. The committee formed the view that it should bring these matters to the attention of the Parliament, in particular this House, so that they could be aired for the reasons I mentioned earlier.

There are four issues. The first relates to the use of infringement notices to penalise fare evaders. I have fulfilled my duty by bringing to the attention of the Committee the discussion which takes place on pages 6, 7 and 8 of the report. I am sure that after members have noted what is contained therein they will appreciate why the committee was of that view and that the matter need not be taken any further. It is envisaged by the legislation. It is worthy to note there are potential difficulties with what I believe are very good pieces of legislation. Sometimes laws which seem to accommodate most situations have the potential to operate unfairly in exceptional circumstances, as a result of administration and the non-exercise of discretion. It is impossible to have a law that deals with every conceivable situation in a way that can satisfy everyone all of time, and so be it.

The second issue is very significant and continues to cause difficulties for those involved in any way in the taxi industry, whether they be consumers, taxi drivers or those regulating it. It has to do with jobs in the taxi industry. It arises from the fact that since October 1998 taxi drivers do not know what the destination of fares will be. The destination is not displayed on the taxi dispatch service computer fitted to vehicles. The committee was very concerned that this issue be brought to the attention of the House. I will quote from the report at page 9, the evidence of a Mr Cahill, a taxi driver. What he had to say demonstrates more than I and others may be able to say about the difficulties this system gives rise to. He states -

I take one lady to a dialysis unit three times a week. The dialysis unit tries to keep people on time because it wants to put through as many people as possible each day. If I am late picking up that lady, it affects not only her, who cannot be out of the house for a long period, but also the system at the hospital. The taxi dispatch service say the first taxi available near the pre-booked time. There is no guarantee a taxi will come. In order for me to be on time and pick up that lady, I would probably have to stop working one hour before the prearranged time in case I am given a job that would take me too far away to get back by the prearranged time. I do not know that until I get to the person's front door and ask him where he is going because no destination is given. If I leave a client to take other passengers, that causes conflict between the customer and the driver. If I decline the job, I am fined \$100. It prevents that person's ability to choose the best service suited to his or her needs.

I have already mentioned Mr Leicester, the manager of the metropolitan taxi unit, who gave evidence to the committee. Many of his pertinent observations are set out on pages 10 and 11 and at the top of page 12 of the report. He pointed out that the change arose following consultation, that the department wanted to see the long-term effect of the change and how it works in practice before it is changed back again. He stated that if destinations are provided, there will be many good reasons that taxis could not pick up a person. He also said that in most cases things seem to work out all right, that most of the issues could probably be dealt with by the use of technology and that a lot of discussion is now taking place. It is a current issue; it is ongoing. It is, always has been and perhaps always will be a difficult issue, but it must be addressed. The evidence of Mr Cahill gives a very pointed example of the difficulties that may be involved. It is a question of - as the committee puts it - balancing the needs of taxi drivers with the obligation to provide a good service to members of the general public, including those who require a taxi for only a short journey.

The committee expressed the view that there should be sufficient flexibility to take account of fixed appointments and drivers having the ability to stipulate preferred suburbs. I might say that from time to time in certain parts of Perth when I have sought a taxi, it may have been at the end of a taxi driver's shift, he has recognised me and has been pretty reluctant to pick up the fare because he does not want to travel 30 kilometres when he is due to go home five minutes later. I suppose that is the way the world is.

Hon M.J. Criddle: When they pick me up, they are not sure they want to take me either!

Hon N.D. GRIFFITHS: That is an occupational hazard. We must be mindful of that and there must be a degree of flexibility. The third issue flows from that. I was surprised and very disappointed to learn that a prearranged booking is no guarantee a taxi will arrive at the requested time. In the occupation we share, on some occasions we must be somewhere at a specified time. The proposition that a prearranged booking is not treated any differently from a request for a taxi immediately is a surprise and a matter of great concern. To the extent that it happens - I note the committee's observations that is the case - it is a very unsatisfactory state of affairs and something that should be addressed very swiftly.

The fourth issue is also one of concern. This is not a matter of pointing the finger at anybody or blaming anybody - the committee's report is to that effect; it is just raising the issue. To use the words of the committee, there is an apparent lack of communication between the department, industry groups and cab drivers working in the industry. It seems to me that insofar as there is a lack of communication, that exacerbates the second and third matters to which I have just referred. I note that the Joint Standing Committee on Delegated Legislation expressed concern about that deficiency. It does not make a firm finding - it uses the words "may be deficient" - but at page 15 of its report it observes -

When a piece of subsidiary legislation is being developed, it is essential that all relevant groups that may be impacted by any changes are adequately consulted. The Committee is not satisfied that this is occurring in the taxi industry.

Hon M.J. Criddle: It is a very difficult industry to communicate with.

Hon N.D. GRIFFITHS: I note the minister's point, but the work of the Joint Standing Committee on Delegated Legislation, apart from directly dealing with its terms of reference, involves a fair amount of consultation between members of the committee and the community, and the less consultation that goes on before documents arrive at the committee the more work the committee ends up doing. I am not complaining about the work in that sense, but it seems that where consultation has already been done the committee need not spend as much time on a certain matter. In fact, when the committee considers a delegated instrument, it invariably first asks, "Whom does it affect and who has been consulted?" In most cases the explanatory memoranda, provided that they arrive on time, tell the committee the answer and no-one need make any specific observation. It is an important issue. I note the minister's interjection about the difficulties of consultation. Taxi drivers tend to be very independent. They see themselves as small business people - some are, some are not - and they are an independent-minded group of people who from time to time feel compelled to tell one their observations on everything from alpha to omega. So be it. I will not say what attention I pay to such observations. However, the words of the committee are proper -

It is in the interests of the Department, the taxi industry and more importantly, the general public, that the lines of communication are improved.

In concluding, the committee's observations are meant to be constructive as distinct from destructive. I look forward to some encouraging words from the Minister for Transport in due course.

Hon NORM KELLY: I wish to make a few comments because of the debate last year on the Taxi Amendment Bill and because of my five or six years' experience as a full-time and part-time taxi driver. I appreciate the committee's report and investigation into the regulations. The new laws in respect of fining fare evaders closed a loophole which had been used effectively by certain people. They knew how to exploit the law and it was taxi drivers who suffered. In the debate last year I raised my concerns and moved an amendment, which was not successful, to the effect that there should be greater allowance for recompensing a driver for the time and trouble taken in recovering a fare. There is a fine and also compensation for the fare, which is a vast improvement on the old law and we fully support it. However, we must remember that we are talking about a heavily regulated industry, and necessarily so.

In the business section of *The Australian* yesterday there was a brief story about the regulation of the taxi industry in Australia and it examined the cost of taxi plates in the various States. In Western Australia in 1991 the cost of taxi plates was about \$165 000. By last year the cost had risen to \$210 000. Because of heavy regulation and the ability to influence values, such as by allowing extra licences and extra cars on the road, there are investments to be made, often by small business investors or drivers who have saved enough money to become taxi owners. It is very easy to influence values, so we must be very careful about the impact of any regulation not only on values but also on the livelihoods of small business people.

The change in the rules so as not to give destinations over the taxi despatch system is a good move. There has been difficulty in covering shorter jobs or M8s, which is the code for a local job in the same suburb, because drivers wait for longer jobs, especially during quiet periods when they might have to go onto a rank for half an hour before the next job. If one is given a job that will return only a couple of dollars, it makes for a very poor day's wages, so often it is tempting to hang out for longer jobs. However, it was brought to my attention by the member for Southern River how well-intentioned regulations can backfire. The committee spoke to a driver who had a regular fare from the Gosnells area to a city hospital. He would work various areas but he would make sure that he was back in the city at a pre-arranged time to take the return fare back to Gosnells. That gave that passenger, who was an elderly, frail woman, the assurance not only of having a taxi to take her home at the right time but also of having a driver with whom she was familiar and in whom she had confidence. The problem is resolved for that driver by an exemption in such circumstances, but there are always two sides to the argument.

Another problem is the difficulty in covering bookings. People think that by booking a taxi to go to the airport the next morning, for example, they will have a better chance of getting a taxi on time. In reality that is not the case, although despatch services will try to emphasise that the person has made a booking if they have trouble in covering that booking. It also leaves it open for special charter vehicles, which I understand are becoming more predominant. Those vehicles carry SCV number plates and they are commercial vehicles. There are concerns in the taxi industry about the amount of valid taxi work that those vehicles are taking from it.

Hon M.J. Criddle: People are not supposed to hail those vehicles.

Hon NORM KELLY: That is right. If that happened we would cut out a significant proportion of telephone bookings for taxis. I was talking to some colleagues in New South Wales who booked special charter vehicles, or whatever their

equivalent is in Sydney, because of their increased reliability over taxis. I would not like to think that we have reached that point.

Hon M.J. Criddle: I was surprised to see that in South Australia the special charter vehicles were taking quite a bit of work at fares considerably under what we insist they pay.

Hon NORM KELLY: That is good to hear because invariably balance is needed to ensure that people involved in the industry are receiving a fair return for their work while providing the general public with a good quality service, bearing in mind that the industry is part of our public transport system. The first paragraph in an article in *The Australian* yesterday reads -

Listen to the latest and best argument for deregulating the taxi industry: it would treble your chances of catching a cab in the rain.

Although the really busy periods would be covered, it would not be viable in the quiet periods, which would force some people out of the industry. For that reason, deregulation is not necessarily the answer.

Point 4.15 of the committee report reads in part -

... the Committee formed the view that communication between the Department, industry groups and taxi drivers may be deficient.

From consultation with various people within the industry, I am hearing that is definitely the case. Problems exist with the various methods of communication. I understand that a review is being conducted by BSD Consultants Pty Ltd into the Act as part of the competition policy review. I have been alerted to problems with the way that that consultation has been occurring. A diverse number of people work in the industry and as a result it can be difficult to reconcile the various interests. The interests of owners can be different from the interests of lease drivers and the like. I encourage the minister in that regard, although I accept that it is not an easy job.

Through the Taxi Industry Council, formerly I think the Taxi Board, a mechanism is available to reach out to registered drivers and owners. That should provide an efficient method, through newsletters or whatever, of quickly informing the industry of impending changes. It should enable feedback from not only the representative associations but also individual drivers, many of whom, because of the nature of their industry, do not have regular contact with the associations. Increased consultation with individuals would strengthen the industry.

Hon M.J. CRIDDLE: The taxi industry has come a long way in the past few years and a fair amount of improvement has occurred. The fleet is far more modern and the drivers are much more presentable. The Western Australian industry stands up very well compared with other taxi industries around Australia. Drivers and owners must realise that often in Western Australia they are the first face seen by visitors and therefore theirs should be an acceptable form of transport rather than the last form of transport. There is an opportunity for the industry to step into that group and become one of the first modes of transport.

I attended the taxi industry conference here in Western Australia recently at Burswood, which approximately 500 people attended. Hon Norm Kelly is correct; a review is being undertaken, according to the sunset clause in the Act and as a result of the competition policy review. It is being undertaken by Martin West of BSD. Two meetings have been held in Perth - one for the industry and one for the general public - and five regional meetings have been held around the State. Taxi drivers and anyone else interested in the industry have been encouraged to make written submissions. The report is due in June. I will be interested to see how the report focuses on the industry and how regulation and other issues are addressed.

There are about 1 000 taxis in Perth and about 3 500 drivers. We use five bodies to communicate with the taxi industry: The Taxi Industry Board, chaired by Howard Croxon; the Taxi Industry Council, which represents predominantly the drivers; and the Taxi Association which represents the drivers and talks to the two major despatches, Swan Taxis Co-op Ltd and Black & White Taxis from which we receive feedback. I take Hon Norm Kelly's point that it is an industry of individuals which does not make it easy to get across a point of view. We also use publications which we try to circulate to drivers and owners and which are freely available. We use as many modes as we can to circulate information to the people involved.

Hon Norm Kelly covered the issues of infringement notices. Legislation has been passed as a result of a proliferation of fare evaders. We are reviewing the issue of suppression of destinations. The report recommends that the Minister for Transport monitor the progress of the taxi industry. I have regular meetings with various members of the industry to hear their views. We addressed the problem of taxi drivers picking and choosing fares; for example, some people were choosing not to take people who required transport to close destinations. I think an understanding has been reached that that discrimination should be overcome and suppressing destinations is one way of overcoming it. If prearranging bookings will not guarantee pickup, it is an issue on which more work must be done. If somebody has a prearranged booking, some kind of guarantee must be in place to ensure that they will be picked up. It can be very inconvenient to be left in the lurch when relying on a taxi. The small charter operators that are coming into vogue are applying pressure in that regard. There are now hundreds of them in Perth. As I said, I was surprised to also see them in South Australia and that they were so cheap. That is an issue that we must cover.

We are doing the best we can to communicate with the industry as a whole and with individuals. Irrespective of where one is, opinions will differ between any two taxi drivers. It is a very individual-oriented industry; that is something with which we must cope as we go along. I am looking forward to the result of the review and await the recommendations with interest.

Question put and passed.

Report

Resolution reported and the reported adopted.

LIQUOR LICENSING AMENDMENT BILL*Report*

Report of Committee adopted.

Third Reading

Bill read a third time, on motion by Hon Norm Kelly, and transmitted to the Assembly.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 3)*Second Reading*

Resumed from 5 May.

HON HELEN HODGSON (North Metropolitan) [12.41 pm]: Last night I discussed the state of the justice system. I referred to some of the matters that have arisen in this place over the past year and the fact that it is generally recognised that we face serious issues in respect of prisons in Western Australia. The seriousness of those issues is recognised in both this House and in the other place with committees currently considering some of the significant factors confronting the system.

The Standing Committee on Estimates and Financial Operations of this House is currently examining the prison system. I have here a discussion paper produced by the Legislative Assembly's Select Committee on Crime Prevention, which is considering some of the issues relating to crime, justice and keeping people out of prison. Last week this place agreed that the two committees should consult to establish in which areas their work is overlapping.

I was fortunate to attend a community forum in Joondalup on 22 February at which some of the issues in the paper produced by the Select Committee on Crime Prevention were discussed. Crime prevention must be the focus of our attention in respect of the justice system. At the moment we are in a reactive mode. We are reacting to crime, we are then putting people in prison, the rate of imprisonment is increasing, that is putting more stress on the system and we are talking about building more prisons. Our focus should be shifted away from the reactive mode to the proactive mode. We should be looking at the causes of crime and ways of addressing these issues by rehabilitating people who have been caught in the cycle of crime. If we do that we will not need prisons. That is an oversimplification; there will always be some people who need to be locked away for the health and safety of the community and themselves. However, that is a minor proportion of the people currently in prison. If we can deal with these issues at the very root and find ways to ensure that people do not fall into the cycle of crime and pull them out of it through appropriate rehabilitation programs if they do, we will deal with justice in a far more sensible and constructive way.

Some of the issues addressed in the select committee's discussion paper include parenting skills, family structure and size, marital conflict and other family characteristics, schools, socioeconomics, age, child behavioural problems, gender, delinquent peers, the use of leisure time and so on. It is clear that crime is a huge cost in our community. It is not only the cost to victims of crime that must be considered; we must also consider the cost of administering the criminal justice system and imprisoning people. In that regard, I note recent estimates quoted in the media of the cost of housing a prisoner each day. In the context of the increasing prison population, it is a huge budgetary pressure. The best way to reduce that budget expense is to reduce the number of people imprisoned. There must be sufficient funding to keep the community safe - I am not advocating a cut in that funding because already we do not have enough money to provide basic services - but ultimately there should be no need to spend that huge amount. As recently as January this year the media stated that it is currently costing \$174 per day to accommodate a prisoner in facilities that, as I said last night, are reported as being well below the standard they should be. We have not only overcrowding problems but also a shortage of recreational and educational facilities.

I was fortunate enough to tour the prison facilities at Bandyup last year. It was a depressing experience. The area that horrified me most was the education centre. The centre caters for women who often need to be encouraged to extend themselves by pursuing self development, further education and in some cases attaining basic literacy skills. The education centre is so small and cramped it is claustrophobic. I do not know how the women studying, the prison officers and education officers cope in that small area. That situation has arisen because the whole facility is overcrowded.

We were told a week or so ago that the controversial sea containers to be used for cells will now cost \$5.1m. I am confronted by a catch-22 situation: I do not approve of the use of these containers - I am not sure the standard of accommodation is adequate - but, at the same time, what is the choice? Do we go back to double-bunking and mattresses on gymnasium floors? There is no choice. The sea containers were chosen because they can be relocated and moves are being made to improve the accommodation in many of our prisons. Ultimately this is a cost that the community would not be required to bear if we were able to reduce the number of people being sent to prison. As I said, the best way to achieve that is to implement crime prevention programs and to rehabilitate people.

There are a number of theories about the purpose of imprisonment. Some people talk about imprisonment as being punishment. There is no doubt that imprisonment and the subsequent loss of liberty is a punishment. However, the punishment should be being in prison and losing one's liberty. An inhuman level of punishment should not be imposed upon people who are in prison as a result of the conditions they experience while in prison. Leaving the punishment argument

to one side, how can we best use the time while people are in prison? The best thing we can do with that time is rehabilitate those people and get them out of the cycle of crime that they are in. An interesting article in *The West Australian* of Saturday, 24 April is a letter from an apparently young man in Casuarina Prison, which talks about his lifestyle and the cycle of crime that has led him there. It is interesting to read how his life has basically gone into a downward spiral. We need to develop a way of arresting that spiral and making help available to those people who need help, and of encouraging those people to review what they are doing. These sorts of programs must be delivered in the prison system to make sure that people do not reoffend and are returned to prison.

I have asked a number of questions in this place over the past year about pre-release programs. I am very concerned about the absence of information when we ask questions and cannot get a response within a reasonable time. Those questions raise issues about the amount of funding that is allocated to pre-release and psychological programs that address the root causes of the sort of behaviour that puts people in prison. Some of those programs are reasonably successful, and some have received a bit of publicity - I am thinking of programs like the sex offenders program - but they can be accessed by only a small percentage of the prison population. We need to find ways of incorporating into the justice system programs that educate people about the consequences of their behaviour. Many countries are moving towards a style of justice called restorative justice. A definition from the United Nations Working Party on Restorative Justice states that restorative justice is a process whereby all the parties with a stake in a particular offence come together to resolve collectively how to deal with the aftermath of the offence and its implications for the future; it is a new way of dealing with justice and of ensuring that both the victim and the offender are brought to face the consequences of what has happened.

I have talked to people who are involved in this form of justice. One aspect that is prevalent in our current justice system is that quite some time may elapse between the commission of the offence and the court processes, which creates a temporal separation between the offence and the court, in which time offenders may start to separate themselves from their behaviour. That is the first thing we need to overcome. The court process is often an "us and them" situation. It is a never a sense of "us working together to deal with the issue". A victim impact statement is often more of an "us and them" situation, and the offender comes away thinking, "I really did not do all that, it did not happen in that way, and it could not possibly have had that impact." With restorative justice the victim and the offender get together in a forum that ensures that the offender recognises the impact of the crime on the victim. I have heard stories of hardened criminals, to use the catchphrase, who have been in tears after they have been confronted with the real impact of their crime on the victim. That is the sort of thing that will start to change behaviour patterns. We cannot change behaviour patterns by putting a person in prison, where the tough guy atmosphere leads to people saying, "What are you in for?", and it becomes almost a badge of honour to have committed a crime. We must force people to come to terms with the consequences of their behaviour. Those same processes should form part of the programs that are delivered to prisoners before they are released from prison on parole or long term. People need to go through the psychological process of being prepared to re-enter the community. That is not as easy as it may sound. Some prisoners have spent the majority of their adult life in the prison system. It has become almost like their home, and they understand the rules of the prison. However, when they get out of prison they feel lost and do not have an anchor, so they reoffend and are returned to prison. Pre-release mechanisms must be adopted that will not only help people to understand the underlying causes of the crimes they have committed but also help them to cope with what they will face where they are released. It is not easy for a prisoner to be released into the community. The simple task of registering for unemployment benefits can be a major hurdle to a person who has not had to deal with that sort of process and has not had to make that sort of decision while in prison. Some of the women in Bandyup Women's Prison are dependents before they go into prison, and while in prison they transfer their dependency onto the prison system, but when they come out of prison they return to the same cycle of abuse, violence or drugs, or whatever caused their problem in the first place.

We need to take new approaches to the issues of justice and imprisonment in this State. It is a badge of shame that this State has the highest imprisonment rate in Australia. It is clear from the figures that are constantly quoted that there is no connection between imprisonment rates and crime rates: High imprisonment rates do not lead to lower crime rates. The statistics that I quoted yesterday indicate what has happened to our prison population as a result of the perception in the community that there has been an increase in crime. I say "perception", because I find it fascinating that the statistics in the committee report to which I referred earlier give the lie to that perception. That perception of an increase in crime has led to a tightening up of the court system and to an increasing number of people being sent to prison. That has led to the type of circumstances that resulted in the Casuarina Prison Christmas Day riot. The Smith report about that incident contains some damning material about the way in which the Ministry of Justice operates. For example, the Offender Management Division was referred to as being a dysfunctional organisation. However, on 22 April, the Minister for Justice told us that the philosophy for offender management in the Ministry of Justice was to contribute to crime reduction, operate an integrated justice system that supports through care, and divert high-risk people from committing crimes; and that offenders serve their sentences in a safe, productive and humane environment, and re-enter the community as law-abiding citizens, and there is sensitivity to the differences between offenders. It is clear from the Smith report that although these are lovely corporate aims or philosophies, they are not flowing through into practice. We need to re-think the way in which we approach justice and imprisonment in this State. We must work together to develop new philosophes that deal with the root causes of crime, and to address the dysfunctional issues that offenders face, both before they get into the cycle of crime, and after they get into that cycle by intervening to arrest that cycle by the use of properly funded programs in the prison system and by supporting the organisations that provide those programs.

Debate adjourned until a later stage, on motion by Hon N.F. Moore (Leader of the House).

[See page No 7961.]

Sitting suspended from 1.00 to 2.00 pm

ESTIMATES OF REVENUE AND EXPENDITURE

Tabling of Budget Papers

Hon Max Evans (Minister for Finance) tabled the budget papers.

[See papers Nos 1024A to E.]

Consideration of Tabled Paper

HON MAX EVANS (North Metropolitan - Minister for Finance) [2.02 pm]: I move -

That pursuant to Standing Order 49(c), the Council take note of tabled papers Nos 1024A to E, laid upon the Table of the House on 6 May 1999.

This motion enables the Legislative Council to examine and debate the budget papers associated with the Appropriation Bills which are now before the Legislative Assembly. The Treasurer's budget speech accompanying the budget papers provides the economic and financial framework of the 1999-2000 budget. I do not propose to cover that ground again.

This budget has been designed to ensure stability in the Western Australian economy and public finances as we navigate around Asia's difficulties - one of the greatest economic crises we have faced since the Second World War. It is our second budget presented with full accrual accounting and, on that basis, an operating surplus of \$171m is expected in 1999-2000, despite weaker revenue growth, with larger surpluses in the out-years.

Last year, we forecast that surplus to be \$471m but we have made a deliberate decision to increase expenditure into the priority areas of education, health, and law and order. In fact, we decided to increase these expenditures in 1998-99 and the service levels are maintained in this budget. Highlights in the priority areas are, education and training - expenditure of \$1 780m which is an increase of \$184.4m over the 1998-99 budget estimate; health - expenditure of \$1 794m, which is an increase of \$153.3m over the 1998-99 budget estimate; and law and order and justice - expenditure of \$789.1m, which is an increase of \$61.8m over the 1998-99 budget estimate.

To further strengthen the economy this year, we are also implementing a one-off major increase in capital investment. Much of this is occurring in the government trading enterprises and other agencies which have been traditionally off the budget. This investment will assist in stimulating the economy and creating more jobs in a period when private investment will decline.

Our total capital works program will increase by more than \$600m from our forward estimates to a record \$3.3b in this budget. In 1992-93, the total capital works expenditure across government was \$1.6b, less than half of that proposed in this budget. The investments include -

a \$199m increase in the Keystart housing scheme funding to \$499m giving low to moderate income home buyers access to their own homes. So far, the scheme has assisted more than 30 000 Western Australians into home ownership. This scheme is regarded nationally as a leader in its field. In this budget, loans are expected to be advanced to another 5 000 people to enter either new or acquired homes, and 4 600 of these loans will be to first home buyers;

water infrastructure will be enhanced with an additional \$115m to build the \$61m Harvey dam, new waste water treatment plants, new ground water schemes and country infrastructure, bringing the total capital investment by the Water Corporation to \$465m this year. This is essential infrastructure to ensure our growing population is adequately provided with water in the future;

the Western Australian Land Authority will invest an additional \$93m on industrial land projects to ensure that suitable industrial estates are accessible and, of great importance, unencumbered;

Western Power will spend an additional \$33m primarily to enhance the non-interconnected system to people living in Meekatharra, Cue and Mt Magnet. This brings total expenditure to \$262m;

additional rail expenditure of \$51m, bringing the total to \$169.8m, will modernise rolling stock;

there will be an additional \$35m, principally for new buses, bringing Department of Transport capital expenditure to \$80m;

education capital works is boosted by \$46m to \$152m which will include a number of significant new schools; and \$10m will go to regional port development at Esperance and Geraldton.

By reducing debt in better times, and not squandering the proceeds of asset sales, we have positioned ourselves well in these more difficult circumstances. In the past six years the Government has worked steadily to build rock solid foundations for the future. For six years the total public sector has funded most of its capital works from revenue, with very little recourse to borrowing. Accordingly, our net debt levels are historically low.

It was pleasing in the last year to win back the State's AAA credit rating which was lost in the Labor years. However, we cannot turn a blind eye to the low commodity prices and the lag effects of the Asian difficulties. Now we can respond to our current circumstances with a strategy to provide further stability and growth. Key features of our strategy are to partly

divert our operating surplus to the priority areas of education, health, and law and order; to tighten the belt marginally in other spending areas; and to make necessary investments in utilities, roads, rail, housing and industrial infrastructure at a time when private investment growth has weakened.

Our asset base will increase significantly more than the debt increases. Net assets have increased from \$16.7b in June 1994 to \$33.9b in June 2000. Even with this major capital works boost, the budget will see net debt fall as a share of gross state product and interest fall as a share of revenue over the forward estimates period.

The Treasurer has stated that we will tighten our belt in some areas. Most agencies have been kept to their forward estimates figures or have had some reductions. These cuts are generally small, in total \$57m, and they are to be absorbed by productivity improvements.

It must be noted that we have not built into the budget the proposed sale of AlintaGas and Westrail as it has previously been our policy not to take these sales into account until they are successfully completed. The successful sale of AlintaGas and Westrail would allow no increase in net debt and substantially fund the Perth to Mandurah railway.

Expenditure

In 1998-99, the Government made a policy decision to increase expenditure in the priority areas of health, education, and law and order. This resulted in real growth in outlays of 5.2 per cent. This increased level of expenditure will continue this year with a nominal increase of \$186.4m so service levels can be maintained and improved. Priority has again been given to health, education, and law and order with a tight rein on the balance of recurrent expenditure. A significant feature is an additional \$600m on top of our forward estimates for the total public sector's capital program, bringing it to a record \$3.3b.

Education and Training

Expenditure on education and training in this budget totals \$1.78b, which is \$184.4m higher than the 1998-99 budget estimates. This high level of service continues because it is important that we make our mark as the smart State. The \$100m computers in schools program, and the training programs which go with it, are equipping our youngsters with the skills, knowledge and confidence to challenge for jobs anywhere in Australia or abroad. Our goal is for every secondary school to have at least one computer for every five students and one for every 10 primary children by the year 2002. This Government has built 23 new primary schools, three new high schools, established 18 education support centres for students with disabilities and has made inroads into the backlog of school maintenance work inherited in 1993.

As part of commitments made under local area education planning last year, \$150m-worth of first-class education facilities will be provided for secondary students. This plan includes the new Shenton College to replace the Hollywood and Swanbourne High Schools, and a new state-of-the-art senior campus at Cannington. Another \$18m is budgeted in 1999-2000 for new schools at Boddington, Bunbury and Denmark, and \$8m will be spent on construction of the new \$16m Halls Head Middle School and a further \$8.2m on the new Peel Senior Campus, which forms part of a \$22m collocated facility with the South Metropolitan College of TAFE.

The Government's early childhood education program is, this year, offering a kindergarten and preschool place to all Western Australian children and a further \$10m has been committed for additional early childhood education. A further \$14m over four years has been provided to attract and retain experienced teachers in rural areas through the country incentives scheme.

TAFE capital works projects in this budget will include -

\$9.6m for the South West TAFE at Bunbury;

\$5.9m at the Central West College of TAFE, Geraldton;

a \$3.9m marine and fishing industry and education and training facility, also at the Central West College of TAFE, Geraldton;

\$1.5m to relocate the Katanning campus;

planning will begin on the projected \$11.7m development of Beaconsfield campus of South Metropolitan TAFE; and

\$1.3m has been allocated to relocate the Moora campus of the C Y O'Connor College.

The Access All Areas program, a Western Australian-developed initiative, has already opened up a new avenue for youth employment opportunities. The proof of the Government's training policies is the 93.6 per cent increase in apprenticeships since 1993. Landcare has created 200 traineeships.

Health

The Health budget for 1999-2000 is \$1.8b which is \$153m more than the 1998-99 budget estimates and represents nearly one-quarter of State expenditure. We have built three of the most modern regional health campuses in Australia and a fourth, the redeveloped Armadale Health Service, will be operational within the next two years. Further redevelopment is continuing at Bunbury where we have built an outstanding new health campus; the new Broome Hospital redevelopment has been completed; and major work is being undertaken at Busselton, Moora, Narrogin and Kalgoorlie. Instead of the old policy of centralising most services in Perth the Government is taking the services to where they are needed - to where the

people are. The best recent news on health is the success of the five-year, \$125m elective surgery program under the Government's Central Wait List Bureau, which was established last year. The waiting lists are at 13 852 which is the lowest level in 16 months.

The Government is pleased to receive a boost in the fight against drugs. The Commonwealth's decision to contribute to the States' efforts will be a welcome contribution to reinforce our anti-drug abuse programs. The emphasis will be on early intervention and providing more access to treatment places. The Government has already established 51 local drug action groups, strong education programs and family support. All this has occurred since the \$4m Together Against Drugs program was launched less than two years ago.

Law and Order, and Justice

The expenditure of \$789m in this budget for law, order and justice, is an increase of \$61.7m above the 1998-99 estimates, strengthening our SAFER WA initiatives. SAFER WA is a partnership between the Government, the police, local councils, and, above all, the community. The combined Police-SAFER WA initiatives are achieving results and generating strong community support.

Police

In the year 2000, new police facilities will open at Rockingham, Busselton, Geraldton, Clarkson and Lockridge. This will bring to 26 the number of new police facilities built by the Government over the past four years. Provision has been made in this budget for architectural plans for the \$3m Kensington station to replace those at South Perth and Victoria Park. Construction will commence on the \$45m police academy at Joondalup with a \$10.8m allocation in this budget. Work will also start on the \$42m police operations centre at Midland, and the \$124m Delta communications and technology plan to give the service the most modern technology and equipment will continue, with \$16m allocated in this budget.

It is anticipated that close to 100 police officers will be freed up to return to normal police duties through the transfer of the management of prisoner transportation and court security services from the Police Service to the Ministry of Justice. Western Australia has by far the highest police to population ratio of any State in Australia and its police are among the best paid.

Justice

There is a need for more prisons to meet the demands of the majority of Western Australians who want tougher treatment for criminals who threaten the safety of law-abiding people. Significant projects included in this budget are the new medium security prison at Wooroloo, additional accommodation at Canning Vale, at Rangeview for juveniles and at Bandyup and Pyrtton. Following the success of the two existing work camps at Walpole and Badgingarra, four more camps will be developed. The six camps, some of which will be mobile, will involve 50 prisoners operating on a seven-day-a-week basis at a total cost of \$2.7m in 1999-2000.

Fire and Emergency Services

In this budget \$8.6m has been allocated to Fire and Emergency Services, which includes provision for new equipment and upgrade of facilities in all regions. The Government has changed the face of Fire and Emergency Services in recent years by combining them under one roof and increasing funds to better equip the service. This has paid off handsomely for the people the services are safeguarding.

The Environment

The Regional Forest Agreement, signed this week, is a victory for balance and commonsense. It means that our children will enjoy this State's old-growth forests forever. It is impossible to please everyone, but this agreement means more than two-thirds of WA's old-growth forests will remain untouched; the remainder will be among the best managed forests in the world; and the Government will create 12 new national parks and 90 new conservation reserves or additions to existing reserves. A new forest production commission will have responsibility for commercial timber operations in native forests, in which CALM will not be involved. The forest-based timber industry is also receiving support and a \$59m package will be available to assist.

Transport and Roads

The Department of Transport will receive a budget of \$760m to enhance WA's transport infrastructure. The large roads program of \$742m in 1999-2000 includes around \$300m additional funds provided from sources other than the Department of Transport. Without a first-class road network, Western Australia would be unable to take advantage of its many outstanding resource and tourism projects, and its agricultural sector, one of the best and biggest in Australia, would also be impeded. That is why the Government embarked on the first billion-dollar road program five years ago. Now, through Transform WA, with the second billion-dollar program, we are building the finest road system in Australia.

Commerce and Trade, Technology

The total budget is \$94.3m, and that includes work to begin the \$200m maritime support facility at Jervoise Bay and the marine industry technology park in the same precinct.

Primary Industry

The combined budget for Agriculture and Fisheries is \$108.25 million. For most of this century, Western Australia has been

one of the outstanding agricultural States and, for many years now, has been a world leader in cereal production and a prolific producer of wool, with a sheep population of around 30 million.

Regions

Much of what the Government is doing in this budget is reaching all Western Australians. It is a seamless service which means that residents in rural and remote areas are not disadvantaged. As we enter the twenty-first century we want all our citizens to be recipients of the same facilities and special services available in the city. There will always be special requirements exclusive to specific areas and they will be dealt with on their merits. We are developing a special program for our regions which is an Australian first.

The Government is finalising the nation's most comprehensive regional development policy. The policy has been developed through a steering committee involving 15 state government agencies. A total of 42 agencies were investigated or consulted to produce the most far-reaching and integrated regional development policy in Australia. A draft regional development policy will be presented to Cabinet in mid-1999 and released for public consultation soon after, and a final policy will be launched later this year.

Tourism

The Tourism Commission receives funding of \$37.8m, an increase on forward estimates of \$7.7m. Tourism's promotion budget, including the successful and ongoing Elle campaign, is \$10.8m. In addition, the tourism development fund for regional facilities has been allocated \$3m over the next two years.

Kings Park remains WA's most visited tourist attraction and a \$5.1m program is under way for the protection and enhancement of the Mt Eliza scarp. A major plan for Kings Park will be ready for public comment in October.

WA's tourism potential will be enhanced with the redevelopment of Barrack Square at a cost of \$19.2m. Work will begin on phase 1 of The Waterfront, Fremantle, maritime museum and exhibition area, at a cost of \$20.6m in 1999-2000.

Social Services

The Government is particularly proud of its Disability Services program. The \$644.8m Disability Services budget has funded some impressive programs under the Count Us In strategy. Disability is a sensitive and compelling issue and for 1999-2000, the last year of this five-year program, the Government has made a commitment of \$151.7m.

Family and Children's Services will receive recurrent funding of \$153m, an increase of \$2.5m, to pursue strategies to support families and provide care and protection for children.

Aboriginal Affairs

Total funding of \$17.6m has been allocated, which includes an ongoing allocation of \$1.5m to increase the department's regional offices from seven to 23. The Jigalong demonstration project will be completed soon and is expected to improve the quality of life of the community there. The second project at Oombulgurri is also nearing completion. Numerous other agencies, including Commerce and Trade, have programs involving Aboriginal people in training and self-employment.

Revenues

Our revenues will be flat in 1999-2000, largely as a result of Grants Commission cuts and lower royalties flowing from subdued commodity prices.

There is only one tax increase - stamp duties on motor vehicles sales. From 1 July 1999 we will be introducing a sliding scale for the stamp duty that relates to the sale and licensing of motor vehicles. A car worth, say, \$15 000, will attract a stamp duty bill \$75 less than what it does today. From \$15 000 up, the stamp duty will increase until it reaches 5 per cent on vehicles valued at \$40 000 or more. For all vehicles valued at less than \$20 000, which account for about three-quarters of total sales, the stamp duty will be less than it is under the existing flat 3 per cent rate. Nevertheless, the new scale is expected to raise additional revenue in 1999-2000 of \$21.6m and \$25m in a full year.

A new land tax scale will benefit land owners by reducing the impact of bracket creep. The new scale provides concessions to taxpayers totalling around \$7m a year.

The Government has decided not to increase gas and electricity tariffs, but sewerage, drainage and water rates will increase by a modest 2 per cent.

In a bid to reduce water consumption, as well as encouraging people to be proactive in water conservation, the following increases are proposed -

- a 5 per cent increase will apply to consumption between 350 kilolitres and 550 kilolitres for metropolitan households and 350 kilolitres and 750 kilolitres for country households;

- a 10 per cent increase for metropolitan consumption above 550 kilolitres and 750 kilolitres in the country; and

- a restructuring of the tariffs and charges for business customers to better reflect actual consumption rather than on property values.

Bus and train fares must be increased to meet the cost of more frequent services and improvements to the bus and rail fleets.

The proposed changes are not excessive and are in line with the Government's previously announced plan that fares should contribute 40 per cent of operating costs by the year 2001.

Standard fares will be increased by an average of 2.3 per cent and concession fares will be increased by 3.8 per cent. However, even under this new scale, 80 per cent of standard fares and more than 90 per cent of concessions will be either unaffected or will result in no more than an extra 10¢ per journey.

Finally, compulsory third party insurance premiums will increase by an equally modest 3.6 per cent, but even then, compulsory third party insurance for a private motor car will still be the lowest in Australia. I repeat, the cost of these increases to an average family is only 80¢ a week.

Conclusion

The State has experienced remarkable economic strength in recent years and that is borne out by the quality of our services and the growth in assets. This budget acknowledges the levelling out of some aspects of the economy. It is a blueprint for stability. In more difficult times, it maintains essential services at the highest level and creates an environment for jobs for our young people. I commend the budget papers to the House.

Debate adjourned, on motion by Hon Bob Thomas.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 3)

Second Reading

Resumed from an earlier stage.

HON GIZ WATSON (North Metropolitan) [2.23 pm]: I speak on a couple of related matters: Matters arising from the recent local government elections and the events in the City of Nedlands, and matters to do with the Local Agenda 21 and its implementation. It is important that we have an understanding of the initiatives which are being pursued in Western Australia under the banner of Local Agenda 21.

I speak firstly about the recent election in the City of Nedlands. In my opinion it was a campaign run on fear, misinformation and much rumour mongering carried out by a certain very organised lobby group headed by Mr Bill Hassell. The misinformation related primarily to the tree policy in Nedlands. I admit that that policy has not had the full support of everybody in Nedlands, but it was a good and an interesting initiative and with some refinement would operate very well. It concerns me that another agenda is happening there which is to challenge some of the very good initiatives that have occurred in the City of Nedlands in the area of sustainable planning and development. It is unfortunate the way the election campaign was run in Nedlands in that it has politicised a local government in a way which I do not think is constructive in obtaining the best representatives at local council level. It is also very interesting that Mr Bill Hassell was behind the well-funded and well-orchestrated campaigning in Nedlands. Whatever we think about the position of people lobbying for a certain group to be elected, we should all be critical of the processes and the methods used whatever is the issue. Things such as bussing electors to the polling booth early have been raised. I think it has also been noted that the mayoral candidate preferred by the Hassell group, Mr John Paterson, was noted for refusing to doorknock the electorate. This is a poor reflection on the candidate and it has been criticised in Nedlands. It does not augur well that a mayor does not wish to meet his electors and hear their opinions. I know that one of the current counsellors in Nedlands who was not up for re-election this time made a point of doorknocking the whole of her ward before she was elected in the last elections. She said that everybody she visited greatly appreciated that somebody who was offering herself as a representative had made the effort to doorknock every household. She made the comment by way of a letter to *The Post* that it stood her in good stead understanding what issues were important and what people wanted from their local council representative. It concerns me that the mayor will not take such an approach.

Hon Ray Halligan: Why don't you write to him about it?

Hon GIZ WATSON: I have not yet had time. I want also to comment on the approach taken by Mr Hassell in supporting that group, to remind members of some of the things that he has done and of his record in supporting public liberties. Members will be aware that Mr Hassell is a former President of the Western Australian Liberal Party, a former Leader of the Opposition and a former Minister for Police in Sir Charles Court's Government, notably during the days of the notorious section 54B of the Police Act, which was introduced in the late 1970s or early 1980s specifically to inhibit the right of free assembly. It interests me that someone who purports to be concerned about people's rights at local government level obviously had other ideas which he enacted as a Police Minister.

In the *Sydney Morning Herald* in September 1994, Duncan Graham wrote -

Hassell is an unashamed conservative who has shaped the WA party (with Senator Noel Crichton-Browne) to be the most right wing in the nation.

We also know of Mr Hassell's record in Aboriginal land rights and of his vehement opposition to granting any native title land rights to Aboriginal people. He played a key role was played in the Noonkanbah dispute, which ensured that oil drilling occurred on Aboriginal sacred sites at Noonkanbah Station. Throughout the 1980s he continued to use land rights as a scare tactic. We all remember the campaign picture of a black hand building a wall across the State. It was a shameful tactic to whip up racism. An editorial in *The West Australian* in, I believe, 1984 commented that -

His redneck denigration of the High Court over its Mabo judgment and his views on Aboriginal rights in general do not fit the profile WA needs in Europe.

That editorial was published when Mr Hassell was appointed Agent General in London.

Hon Ken Travers: Was he a legally appointed Agent General?

Hon GIZ WATSON: I will leave that one. Also, he attacked the Chairman of the Human Rights Commission, Dame Roma Mitchell, on racial discrimination. More recently we have become aware of Mr Hassell's numerous interests in uranium prospects in Western Australia and of his lobbying on behalf of the smoking industry. In his most recent communication, Mr Hassell lobbied against the republican movement.

I now refer to my concern at the recent change of council at Nedlands. In jeopardy are the positive achievements that Nedlands City Council has made towards sustainability in its management of the area. I understand that there is concern that with the new composition of the council the sustainability steering committee is likely to be disbanded. That would be an unfortunate outcome and I hope that it does not transpire, but it has been suggested that it is on the new councillors' agenda. Members might not be totally familiar with Local Agenda 21, which relates -

Several members interjected.

Hon GIZ WATSON: The 1992 Rio convention -

Several members interjected.

The PRESIDENT: Order! Hon Giz Watson is trying to make a point.

Hon GIZ WATSON: Thank you, Mr President. Local Agenda 21 flows from the 1992 concept of Local Agenda 21, which was created at the international conference in Rio de Janeiro. It is a program whereby local communities promote solutions to sustainable development issues at local level. Since then there has been an emerging understanding of sustainability issues and how to respond to them. The initiative from the Rio convention was important because it recognised that many planning and management decisions at local government level had enormous implications for resource and energy use and that local communities and local government had a role to ensure that we live in a sustainable way. The agreement was signed by 120 heads of state at the United Nations summit in 1992. Chapter 28 of the Agenda 21 Agreement states -

Local authorities construct, operate and maintain economic, social and environmental infrastructure, oversee planning processes, establish local environmental policies and regulations . . . As the level of governance closest to the people, they play a vital role in educating, mobilising and responding to the public to promote sustainable development.

Nedlands has been at the forefront as one council involved in promoting and achieving sustainability. I would like to talk about some of its achievements and about what it is doing to ensure that Nedlands is managed in a way which minimises the impact on the environment and which is energy efficient. As I said earlier, Nedlands City Council has a community steering committee to promote Local Agenda 21 in its area. It was involved in a Spreading the Word seminar attended by 70 residents. It recorded issues which resulted in the establishment of working parties that are now addressing the built environment, the national environment, energy efficiency, waste management, transport and community wellbeing. The council has also completed a sustainability plan and a checklist for administration to access the agenda items. It also joined a group called Cities for Climate Protection and started an education campaign with three full pages in the community newspaper *The Post* entitled "How to live more sustainably". It has begun plans also to build a demonstration home for passive solar design and energy efficiency. These are all valuable contributions. However, it concerns me that with the move to a much more conservative council, these valuable initiatives might well be taken off the agenda. The suggestion has been made to me that the steering committee is in jeopardy of being disbanded.

Initiatives such as those that have been carried out in Nedlands have the full support of organisations such as the Western Australian Municipal Association. A recent WAMA conference in Mandurah was well attended. I believe representatives attended from about 40 local council areas and they fully supported the initiatives of Local Agenda 21. The WAMA executive meeting of April 1991 recognised the importance of councils being involved in Local Agenda 21 and endorsed the declaration that came from the Mandurah conference in support of those initiatives. The State Government also has been enthusiastic in its support of Local Agenda 21 initiatives. In her opening remarks to the Mandurah conference Cheryl Edwardes noted that -

Local Agenda 21 planning provides the opportunity for all sections of the community to participate in the development of vision for the future of their region.

It's the ideal way to plan our environmental future and ensure that we are all aware of our roles and responsibilities.

Local Agenda 21 is a vision based on sustainable development that improves quality of life while maintaining the biological and ecological processes on which life depends.

It is commendable that there is support from both the State and WAMA for Local Agenda 21 initiatives.

The initiative has had enormous community support. One of its most powerful attributes is that it involves the community in developing solutions to environmental problems in the local area and at a level at which many people can understand and in which they can participate. For example, initiatives in waste management and recycling undoubtedly require community participation if they are to work. Again, Nedlands City Council is to be congratulated for its work in involving the community and in listening to the community's requests for action to minimise our impact on the environment.

I would like to be assured that the State Government will continue to support Local Agenda 21 initiatives. I suggest that

it encourage councils to maintain and improve Local Agenda 21 initiatives and recommend against any moves by councils wishing to withdraw from this initiative. I also appeal to the Nedlands community to urge the newly elected councillors to maintain these valuable programs and that the community driven initiatives not be put aside, which, if they are, will inevitably reflect the new composition of the council. I urge those councillors against undoing the good work that has been done and to see the benefits of Local Agenda 21 rather than responding in a knee-jerk way and removing that steering committee.

I hope that Nedlands will continue to be a leading light in developing environmental sustainability and encouraging community participation.

HON BOB THOMAS (South West) [2.46 pm]: My comments will be relatively brief until Hon Jim Scott is able to make his contribution to this second reading debate.

Hon N.F. Moore: He can speak on the next Bill; there are several.

Hon BOB THOMAS: He indicated to me that he wanted to speak on this Bill. I welcome the opportunity to inform the House that the City of Albany held its inaugural elections on the weekend. It resulted in an excellent council comprising an extremely competent and forward looking group of people sworn in on Monday under the stewardship of the new mayor, Alison Goode. Even though I have a number of differences with most of the people elected regarding the development mix on the Albany foreshore, this will be an excellent council that will provide very good leadership for not only the City of Albany but also, in the light of the vital role it plays as a regional centre, the region as a whole.

As many people will know, Alison Goode was the Deputy President of the Albany Shire Council before last year's decision to amalgamate the Albany Shire and the Albany Town Councils. Alison was one of seven candidates who stood for mayor. She secured 4 500 votes in the mayoral election. Her nearest opponent was the former mayor of the town, Annette Knight, who was the mayor for about 10 years and who did a very good job. She was a great ambassador for our town and was always looking for opportunities to improve its economic base. Members must remember that the Albany labour market has been underperforming for many years as a result of the lack of diversification in its economy. As mayor, Annette Knight did a lot of work to improve the economy and thereby the labour market in the city. Some of the activities that come to mind include the business attraction package and her close work with government agencies to establish an industrial park infrastructure so that Albany can take advantage of any opportunities that arise.

I thought it would be a very closely fought contest between the two women - there were five men in the field - but Saturday's results indicate that that was not the case. Either woman would have made an excellent mayor, and I could have worked with both of them. I believe the majority of electors in the City of Albany voted for Alison Goode because they are very much opposed to the housing component of the Albany foreshore development. The feedback I have received is that people are not necessarily opposed to all forms of development on the foreshore, but they are very much opposed to housing. The reasons for that opposition are: First, people do not want to lose the vista down York Street and they believe the proposed housing development would result in that happening.

Hon Murray Montgomery: You have been in favour of that development.

Hon BOB THOMAS: The member should listen very carefully.

Several members interjected.

Hon BOB THOMAS: I might just do that. The opposition to housing on the foreshore was varied. As I said, some people fear the loss of the vista. Other people are opposed to the harbour being reclaimed for housing. In addition, they do not believe housing should come close to the water's edge because that would be akin to giving people a private beach. Other people believe housing may jeopardise access to the port for our wheat, woodchip and silica exports. I do not agree with that, but many people hold that view and I respect that. A majority of people felt that Annette Knight was too closely aligned to the foreshore redevelopment and disagreed with her support for housing, so they were not prepared to vote for her. People did not vote for her for a number of other reasons, but that was a major issue.

Hon Murray Montgomery has asked whether I support housing on the foreshore. It is not a simple case of saying "Yes" or "No". Members will remember that the former Government created LandCorp by amalgamating three development organisations - the Joondalup Development Corporation, the Industrial Lands Development Authority and the then existing LandCorp. The WA Land Authority was established with LandCorp as its trading arm. That legislation was passed during the 1992 autumn session and was proclaimed on 1 July 1992. I invited Vince Paparo, the inaugural chief executive officer, to Albany at the first opportunity to meet me and members of the economic development unit - a group of officers and councillors from the Albany town and shire councils. Through Mr Paparo I invited LandCorp to become the foreshore developer because it would have been impossible for Albany to secure a private investor who would be prepared to invest the required sum and then wait perhaps 20 years, certainly 10 or 15 years, to recover the investment. I was looking for LandCorp to establish the infrastructure - the water services, roads, electricity supply and so on - so we could develop the blocks and sell them to investors to develop their enterprises. Vince Paparo thought that was a legitimate exercise for LandCorp to undertake and he took the proposal back to his board. It agreed that LandCorp should become the foreshore developer and indicated that it would invest \$11m with a maximum subsidy of \$4m. Therefore, the project had to generate \$7m of income from land sales.

I was prepared to accept a package that included housing and retail-commercial facilities, but I have always been apprehensive about the density of housing proposed and the number of retail outlets planned near the town jetty. At a time when businesses are battling to remain viable in Albany, I cannot see the sense in creating 30 new retail speciality stores on

the foreshore. I have always been reluctant about that but, because I want the package and the hundreds of jobs that will be generated, I have always been prepared to accept it.

The electors of the Albany City Council made their views clear on the weekend by voting for the 11 candidates who are opposed to the housing component of the foreshore development. That is democracy at work. It is now time for us to reappraise the project. I have written to the mayor and asked the council to give this matter priority and to work with members of the community to find out what they want. The council should go to the Government through LandCorp to obtain funds so that a number of plans can be presented to the public. Public feedback should be invited, the final plans should be drawn up and work should start on this project as soon as possible. I made a very simple suggestion to the mayor that perhaps an officer or a number of officers could be stationed at the Rotunda on Stirling Terrace to show members of the public the plans and to receive feedback. Those officers could come from LandCorp and the town council. Through that exercise, we should be able to come up with a proposal which is acceptable to the community and to Cabinet and which can then be funded.

I remind members that the funding was put in place in 1992 and the planning and zoning approvals were received by 1994. This matter has been held in abeyance for five years. Hundreds of people in Albany who are unemployed or underemployed would dearly love a job or more work. This major development will deliver hundreds of full-time and part-time jobs. The election of the new council has resulted in an excellent group of people who are competent and have a lot of commonsense. Only a couple of the people on that council are people for whom I could not have voted. I have a great deal of confidence that the members of this council will apply their collective wisdom to this issue and find a resolution fairly quickly, and I wish the council well in its deliberations. I believe that a number of the people on that council will eventually assume leadership roles, and three or four of the people who were elected on Saturday could perform the duties of mayor competently now.

Hon Muriel Patterson's sister, Mrs Judith Williams, was elected to that council on Saturday, and I am sorry that because Hon Muriel Patterson had other parliamentary duties to undertake elsewhere, she could not attend on Monday night to see her sister sworn in. I was extremely proud to see a number of my friends sworn in that night, in what was a significant ceremony for the City of Albany, because it was the swearing in of the inaugural council. What impressed me most is that almost all of the individuals who were sworn in pledged their support to work for the betterment of the community and get things going, and it was great to see that. I extend my best wishes to Mayor Alison Goode and her council, and I have every confidence in them.

I also followed keenly other elections that were held in the south west. I was particularly pleased that a friend of mine, Nick Oaks, the convenor for the timber workers in the south west, was elected to one of the wards in the Shire of Bridgetown-Greenbushes. I have had a great deal to do with Nick in the past 10 or 15 years.

Hon W.N. Stretch: He is a very sensible man.

Hon BOB THOMAS: I hold him in high regard, and he will make an excellent contribution to that council. There is a fairly good mix of people on that shire council.

In Bunbury, two seats were contested in west ward. One of those seats was won by a friend of mine, Wayne Major. It was sad that in the other seat, one of our former colleagues, Doug Wenn, who won a by-election last year for that ward, was beaten by about 100 votes by a very highly regarded person, Sam Morris. We all know Doug well, and he admitted in the paper today that he did not do his door knocking and did not put in the work; and as sad as he is, he understands that had he worked harder, he might have been able to get over the line. A couple of other people were elected to Bunbury City Council who will offer an enormous amount to that council and will be quality councillors. Margaret Lane won the seat of east ward on a joint ticket with Steve Hill. As some members opposite know, Marg Lane worked on Dan Sullivan's and Ian Osborne's campaigns last time, and she openly admits that she was on the other side last time. Steve Hill is another close friend of mine and a member of our Mitchell branch in Bunbury, so we had the Labor-Liberal mix there, and they won comfortably. Members may have seen some of the questions I have been asking over the past few days about Lamac, which won the WA Small Business of the Year award last year. Marg is one of the principals of Lamac. Marg is a highly competent person and will make a great contribution to Bunbury City Council. Bunbury City Council is a very high performing council, and I have a lot of time for almost all of the people on that council. The other new person elected to that council was Lorna Worthington from north ward. I do not know much about Lorna, but she appears to be vitally interested in the community and to have a good social conscience. I am aware of her links to the Liberal Party, but she seems to be a person who will make a good contribution.

Hon B.K. Donaldson: She has a good background.

Hon BOB THOMAS: I wish those people well in their deliberations. I congratulate the hard working councillors who were re-elected, one of whom was Peter Jeffree, and another of whom is a good friend of mine, Tommy Dillon. Many members in this Chamber would know Tommy Dillon. He is one of the most colourful characters in the south west. He is a former golden gloves boxing champion, and the former manager of an owner drivers trucking company in the south west. Tommy was elected deputy mayor, and I recommend that if members are ever in Bunbury, they attend a Bunbury City Council meeting if they have the opportunity, because to watch people like Tommy Dillon speak about local issues is a real treat. He is a great raconteur, is very articulate, and can paint pictures with words. He is genuine about his commitment to the town of Bunbury, and he will do an excellent job. He is taking over from councillor Judy Jones, who was deputy mayor for about three years, and who works tirelessly on behalf of her constituents. She took her role as deputy mayor very seriously and did an excellent job, and I am one of many people in that district who is sad that Judy Jones has decided that this will be her last term and she will retire in 2001. She has made a great contribution to community life in Bunbury, and if she were

ever to reconsider her position and decide not to retire in 2001, she would have my support because of the great work she has done.

HON J.A. SCOTT (South Metropolitan) [3.07 pm]: I draw the attention of the House to what has been an ongoing issue for about a decade; that is, the saga of the Port Kennedy Resorts project. The highly vaunted plans for that project, which was supposed to provide a resort complex with a lot of public facilities such as chalets, a public golf course, public boat ramps, a place for the local land care district committee to be set up, and a sea rescue group, have not eventuated, and it appears very much that they never will. That project gained the approval of the Parliament in 1992, before I came into this place, in the Port Kennedy Development Agreement Act. I remember being very concerned about that project, because it was proposed to be a trade-off for some land of great scientific and environmental value that had been set aside in the System 6 report. Scientists from all over the world wanted to study that area because it had unique cusped foreland formations which could not be found anywhere else in the world. People could see freshwater wetlands forming right along the ocean as they lived. It was a unique area.

We heard that some of the area would be traded off for other public assets, such as I have described; for example, chalets to be available to the public, boat ramps and golf courses and a resort complex which would be wonderful for the community. However, what have we got? We have a private golf course, which has been half built and has no clubhouse, and a car park. Numerous attempts have been made to turn the project into another housing development. Previously the developers of the project approached the then Minister for Planning, Hon Richard Lewis, to change the agreement so that instead of providing a resort complex they could provide only a housing development. The minister refused that request at the time and said he thought that the developers unfortunately had taken on more than they could handle. He was fairly critical of their abilities. It seems as though the minister was right. It seems also that the Government has done nothing about this project.

This project has been going on for some 10 years, not since the agreement Act, but since it was first mooted by a previous Government. What surprises me is that when it was first set up a requirement was that the developers should show that they had sufficient funding to carry out the whole of the project to its completion. Members would be aware better than I, because I was not here at the time, that a committee looked into the funding of that resort. Half way through the sitting period of that committee the funding arrangement changed. Even prior to the committee sitting there had been one change. Originally the project was to be based on a time-share arrangement, whereby people would buy shares in the resort. It was to be largely a Japanese market driven, golf course-type complex. That changed during the period when the project was before Parliament. We found that the funding was to come from a mysterious overseas investor, I think from Singapore or somewhere. Those doing the work at the time must have been a little naive because that funding never eventuated. Arrangements then changed to include a whole range of other people. I can remember another investor from Perth, who originally came from Singapore, who was supposed to be funding the project. We then had the family of the Sultan of Brunei involved in it.

The project then went through a range of other funding arrangements until it got to the original Port Kennedy resort group, Fleuris Pty Ltd, which was the same partnership. It had bank guarantees that it could do the whole project. When I inquired into the arrangement, I found that far from having sufficient funding available to do the whole project, which it was supposed to have, Fleuris had only enough to do one little bit at a time, so it would get one little land grant and then build a little more when it was able to make a profit out of the land grant by selling freehold properties. I believed that this itty-bitty approach was never going to work for the betterment of the project. I admit I did not want the project to go ahead because it would result in the loss of the environmental System 6 and scientifically valuable areas. In answer to my most recent question in this place when I asked whether the developers were broke, to put it bluntly, because the project seemed to be at a standstill, I was told that Fleuris was restructuring its finances yet again. I also note that Fleuris is apparently before the Land Valuation Tribunal where it is contesting the payment of rates to the Rockingham City Council. That case has been going on for a very long time. I do not know why it has dragged on quite as long as it has and there has been no decision yet. Last November I asked how long it had been before the tribunal, and it had been before the tribunal for 11 months at that time. As far as I can understand there has still been no decision.

We are in a position where we have a big area of land where a lot of the wetlands have been destroyed, the vegetation scrub-rolled and all sorts of changes made to the natural environment. They have been replaced by a car park, a half-built golf course and the homes of a few overseas people who, I understand, may be shortly suing the developer because none of the promised resort development seems to have sprung up around their properties. As a result, they will not get the wonderful facilities shown in the pictures that were sent to Singapore and other places. Because this is a state agreement Act I am a little concerned that those people may seek to sue the State Government along with Fleuris. I am not sure of the position, but because the promised resort has not eventuated it may be that those people have been sold property under false pretences. I wonder what on earth the Government is doing about this project. Is any money available to complete the project? If there is no money to complete the project, it is about time it was wound up. It is quite clear now that we are not about to see public boat ramps, chalets and golf courses eventuate.

Hon N.F. Moore: There is a golf course there.

Hon J.A. SCOTT: It is a private golf course. Because Fleuris has been unable to build a public golf course, it is saying that it will allow the public to use that golf course. Of course, it has no clubhouse.

Hon N.F. Moore: I am told it has very good fairways and greens.

Hon J.A. SCOTT: Fleuris has flattened out the sandhills, scrub-rolled and put in some greens and some watering points.

Hon N.F. Moore: I thought you would go for the greens!

Hon J.A. SCOTT: Not that sort of green. The previous Government thought that too because between the changeover of that Government and the term of this Government there have been more plans for golf courses than someone could poke a stick at.

Hon N.F. Moore: I am pleased you acknowledged which Government entered into the agreement.

Hon J.A. SCOTT: It was both, and this project has been dragging on forever.

Hon N.F. Moore: We were not the Government in 1992 when this project was entered into.

Hon J.A. SCOTT: I acknowledge that. The project was certainly kicked off under the previous Government. The current Government came into power telling us that it was all about good management and getting rid of all the old WA Inc type deals. However, we know that this company is an old Exim Corporation off-the-shelf company anyway. The Government has made no attempt to straighten out that project. At this stage the environmental values of the area have been largely destroyed. If the project is to go ahead it is about time the Government re-examined this issue. There has been a vast waste of money on that project. A large area of land has been granted to the proponents in return for improvements, and I do not see that they have done anything. The land has been given out in dribs and drabs. We know that the proponents did not shell out for the fence around the scientific park, and that it was paid for by the Government in the hope they would then pay it back. We heard they would provide all sorts of equipment, such as a fire tender. At this stage they are not even paying their rates. I want this Government to tell the community what has happened with the Port Kennedy resort. Where are the chalets, boat ramps and public access points where people can get to the beach and have a good time? If the proponents cannot come up with those facilities, what was the purpose of destroying one of the most important scientific areas in this State in terms of its ecology and handing it over to corporate cowboys, which is the term used by the member who first brought this project to the attention of the House. That might be a bit harsh. They are a couple of people who did not have the wherewithal to develop this project and should never have been given the right to do it because they did not have the financial backing. According to what this Parliament was told, they were to provide money up-front for the project before they were given the go ahead. They have not put up the money.

I want to see something done about this issue because it has dragged on for too long. A lot of people have been badly treated along the way. The Port Kennedy Land Conservation District Committee no longer has to battle with that developer, but it is battling with government departments which have been trying to prop up this project. The WA Planning Commission in particular has been unethical in its treatment of the Port Kennedy LCDC and sea rescue groups. Members will recall they were originally thrown off that land with the promise that extra facilities would be provided for them when the development went ahead. A lot of the property that was removed from the compound has disappeared, even though government departments, including the Police Service, were supposedly looking after that equipment. We know that some of that equipment was auctioned off. Even equipment that belonged to Agriculture Western Australia was stolen and never recovered. There were many rumours circulating about where that equipment had gone, but they were never followed up. I am not surprised they were not followed up as I understand that a policeman had arranged for chairs and things to be sold at auction for his favourite charity. It was not done for personal gain; nevertheless, it was hardly ethical.

The LCDC was eventually relocated to another compound, but soon after it was kicked off that land. More recently it has been promised another compound, although it had to go to court to get that decision handed down. The court ordered that the compound be supplied with electricity and other facilities, be large enough for it to properly set up in that area and also that assistance be given to move the equipment and buildings. There has been an ongoing battle with the WA Planning Commission. The Planning Commission does not want the LCDC at that location; it wants to ignore the court order. The Planning Commission has said that the LCDC refused to move to that location, which is not the case. The LCDC tried to work out a number of plans to locate its equipment on that area. The Planning Commission quibbled and did not provide sufficient land for its facilities. The Planning Commission did not provide power or water to that area and wanted the LCDC to sign documents to say that all was okay, when the commission had not provided what it was supposed to provide. They will go back to the court to resolve the matter.

The Port Kennedy LCDC had received international acclaim for its work. LCDC members who had put in huge amounts of their time and had raised money to protect the area's ecological values have been treated incredibly shabbily. The Government needs to consider who it should be backing in this issue. I do not think it is the people who said they had money to finish the project and did not. It should be the people who were prepared to do work for nothing to maintain the area. It is about time that somebody reported to this House on the failure of the proponents to develop that project and to provide the community resources that they were supposed to come up with. At this stage it looks a very shonky deal. The Government, which claims to be about good management and accountability, is looking just as shoddy, because it has done nothing in the long time that it has been in government to ensure that these things have been cleaned up. I urge government members to speak to the relevant ministers - the Minister for Planning in particular - to do something about this project, because it is an embarrassment for the Western Australian Government. I support the Bill.

HON KIM CHANCE (Agricultural) [3.28 pm]: I would also like to contribute, albeit briefly, to the appropriations debate. Unlike some of my colleagues, I will follow the line taken by Hon John Halden in this debate and occasionally mention matters which relate to the appropriations Bill.

Hon N.F. Moore: Why don't you give some thought to talking about the next appropriation Bill because I was given to understand this Bill would be finished this week.

Hon KIM CHANCE: I do not intend to speak for long and I do not think anyone will speak after me. I want to raise a

couple of matters of a general nature. I was prompted to do so by my friend and colleague Hon Bob Thomas in his mention of local government issues, in particular his reference to the City of Albany. The City of Albany is the only dual representative council that has been able successfully to amalgamate under the processes provided in the new Local Government Act.

Recently in my electorate, the Agricultural Region, two attempts have been made to amalgamate. Firstly, in the shire and the town of Northam - that description is slightly inaccurate in that case because that situation was a little different - and, secondly, the City of Geraldton and the Shire of Greenough. The votes were held on the same weekend and both were soundly defeated. The Geraldton-Greenough amalgamation, in particular, created a great deal of heat. Without wanting to make any judgment and being careful not to take sides - I did not do that at any stage in the debate; although I describe myself as pro-amalgamation, I was careful not to say so prior to the vote - I will make an observation on the failure of both of those referendums: We must get this process right.

It is a good process. The provisions of the Act and those for referendums to determine changes in boundaries are sound, but the legislation is simply not working. Notwithstanding the huge cost involved in the Geraldton-Greenough campaign, it is disappointing that a fundamentally good proposition went down to the degree to which the Greenough ratepayers, in particular, voted against it. Ratepayers in both those local government areas should have been able to benefit from a proposal which served their interests. In its final form, the package, the subject of the referendum, was simply unacceptable to the Greenough Shire ratepayers, and that is a pity. It indicates that although the Act and the referendum provisions are good, we must get the administrative provisions a little better if we are to have any hope of success in future amalgamation referendums. That revolves around the form of the proposition which ultimately goes to the ratepayers. Before proceeding to a referendum, the proposition to be put must be in a clearly understandable form which effectively has been presold to the ratepayers. To go to the people with a referendum when we have not quite achieved that, as happened in the Geraldton-Greenough case, is a disappointing waste of time and money.

The Minister for Local Government is well aware of the situation and is considering roughly the same points I have just put forward. I encourage him to speak to other members of Parliament, particularly those who have some experience with amalgamation referendums in their electorates, about how we should proceed or make some subtle changes in the administration process when we move into this area again. It is like any other democratic process - very expensive, not only for the State but also the local authorities concerned. I make no criticism of the Act; however, given the way in which we are currently seeking the outcomes of it, we may not be making the best of the opportunities with which we are presented.

I said that I would touch on issues relating to appropriations, and I will. I refer to a broad issue, and I have done this before. It relates to the conjoint issues of privatisation, contracting out and outsourcing, and the effect of those broad policy initiatives on the budget and the appropriation Bill. I have said it before - I have had no satisfaction from saying it and I have seen no practical response to it - and I will say it again: When we move towards any form of privatisation or contracting out or outsourcing of public services, we should be able to show the public what we intend to achieve from that change. It is six years since the privatisation of the Midland railway workshops and we have never been shown any evidence of the purported \$20m that they were said to have been losing; worse than that, we have never been shown any evidence that the closure of those workshops was a benefit or a disadvantage to the Western Australian taxpayer - none whatsoever. Indeed, a look at Westrail's accounts to the extent that we get them - they are not accounts out of which we can make a lot of sense - tends to show that the cost to Westrail of the closure of the Midland railway workshops -

Hon M.J. Criddle: That is very bare faced. What about the freight rates that reduced by 30 per cent?

Hon Bob Thomas: Did they reduce under us?

Hon KIM CHANCE: Of course they did.

Hon M.J. Criddle: You ask the guys who got a reduction of 35 or 40 per cent what they think.

Hon KIM CHANCE: I think that is a red herring.

Hon M.J. Criddle: It might be for you, but it is not bad for the blokes who get the reduction.

Hon KIM CHANCE: I will not let the comment of the minister pass without addressing it. I do not think a single member of this Parliament understands the dynamics of grain freight rates as well as I do. From 1979-80, as a member of the former Interzone Rail Freight Committee, I and people like me forced the Government of the day to move to the contract system for rail freight. I have an intimate knowledge of that, including being a member of the former Grain Freight Steering Committee for a number of years. I think I understand the dynamics of the way grain freight rates are charged in this State. In answer to the question of Hon Bob Thomas, in real terms grain freight rates have fallen on every occasion a new contract has been rewritten, particularly the long haul grain freight rates. This process started not in 1995, but in 1979. Even the Grain Logistics Committee is no more than an extension of the former Grain Freight Steering Committee which was established by the interzone committee.

Hon Dexter Davies interjected.

Hon KIM CHANCE: The member said that; I did not.

Hon Dexter Davies: It is a question.

Hon KIM CHANCE: A rhetorical question?

Hon Dexter Davies: Very sharp!

Hon KIM CHANCE: In answer to the rhetorical question, I am not denying that restructuring of Westrail - whether it occurred under a Labor Government, a massive restructuring, or has occurred since - has had a beneficial effect on freight rates which are charged by Westrail. This is quite a reasonable question: Can the Government show the people of Western Australia which parts of that restructuring delivered which benefit? I am not criticising this Government or a previous Labor Government for doing things to make Westrail more efficient. How can I possibly do that? All I am asking is this: Why can this Government or the earlier Labor Government not show the people of Western Australia which of those reforms delivered which results? I was trying to explain that point before the Minister for Transport came back at me with an interjection. He can argue that the reforms generally have contributed to a result, and I am inclined to agree with him; however, that is not the question I asked.

The question I asked was: If the Westrail accounts are analysed, can the closure of the Midland workshops be shown to have contributed anything to a reduction in Westrail's maintenance expenses? On an analysis of the books, they were vastly more expensive. When I put that question to Westrail in the forum of the Estimates Committee, I was told that the accounts could not be read that way because there are forward commitments - whatever that meant - to maintenance. Because of those forward commitments, I assumed that next year would be cheaper; however, when I looked, it was more expensive. I do not know whether the latest commitment to outsourcing maintenance - the commitment under Right Track was to put line maintenance out to contract - has shown any benefit. I do not know whether it was designed to achieve a benefit. The Minister for Transport at the time and the current Minister for Transport could not, or chose not to, come into this place and say, "In the context of Right Track, we will reduce line maintenance costs by X per cent, and this is how we will do it." That is all I am asking for. The way we got Right Track was largely as a public relations blurb which ran all of the purported advantages together to achieve an outcome. There may have been beneficial outcomes from parts of Right Track; there may have been negative outcomes. On the face of it, the closure of Midland workshops seems to have been a negative outcome. I spoke privately to the then Commissioner of Railways about whether he was aware of any benefits which had flown from that closure. He said, "Yes, of course there have been benefits." I said, "How many dollars?" and he said, "I don't know." Even the commissioner could only guess. He gave me a figure in the end, but it was a guess. When a change of that nature is made, the Government must be convinced that it is the right thing to do. I will use the words of the member during a private conversation with me: Governments do not do things if they think they are wrong. I could not agree more. The Government at the time must have thought that the closure of Midland workshops was the right thing to do. That information should be shared with us, rather than simply saying it. We may even agree with the Government.

Hon Max Evans: I doubt you would.

Hon KIM CHANCE: The Government must have convinced itself that that was a fact on the basis of a careful analysis of the numbers. The Minister for Finance, above all people, must have been convinced.

Hon M.J. Criddle: With the Westrail sale coming up, are you getting enough information? Do you want more information?

Hon Kim CHANCE: Yes, we would like more information.

Hon M.J. Criddle: You are at liberty to get it. We will provide the information you require so we will not have this type of discussion later.

Hon KIM CHANCE: That lies at the base of it. In the case of the proposed sale of Westrail, I acknowledge that there will be commercially sensitive matters which cannot be revealed, and we understand that. On matters such as the sale of Westrail and the letting out of the line maintenance contracts, which were more recently a component of Right Track, we, as a Parliament, the public generally and Westrail employees were never provided with an explanation about why it would be better. We must have an explanation of the expected outcomes of the change, whatever that change may be, so we have a means of monitoring whether we meet those objectives. To put that in a broader context, it is fair to say - government members may or may not agree with me - that the key theme of the Government, when it was an incoming government in 1993, was that it could achieve a higher level of delivery of service by virtue of its ability to harness the skills of the private sector in the delivery of those services. I do not think the Government said it in those words, but ministers have said similar things in such terms. That would be a theme consistent with a coalition Government in Western Australia.

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

Hon KIM CHANCE: Prior to question time, I had referred to some of the broader questions raised by Hon John Halden in this debate. I had intended to illustrate that the outcome of the process of privatisation, contracting-out and outsourcing, which has been undertaken and apparently heavily relied upon by the coalition Government, has not delivered the results it hoped for. It is an argumentative statement and, obviously, I would like the Minister for Finance to attempt to counter the argument because I think it is a fair statement. I hope I am not misquoting or misunderstanding Hon John Halden's comments. I believe he said that the Government has been the recipient of an increased flow of income, which exceeds both the inflator and population growth. The reduction in debt and the projected reduction in debt as a result of the budget is more or less equal to the value of the asset sales; ipso facto, without the asset sales there would have been no reduction in debt, so the question of management does not arise. At the same time, the taxes and charges paid by Western Australians have risen, again by a factor which is above both the deflator and the real population growth.

Some of the factors which have become apparent since we have heard the budget speech were of course not available to Hon John Halden, because he did not have access to the leaks clearly made available by the Government to *The West Australian*. Nor were opposition members offered the benefit of a budget lockup.

Hon N.F. Moore: You never once gave people pre-budget information.

Hon KIM CHANCE: Had it been left to me, I would have given members opposite everything. All they would have had to do was ask.

Hon N.F. Moore: Just like you gave away all those dollars to your mates.

Hon KIM CHANCE: Sadly, none of my mates got anything!

Those other broad outcomes are apparent to me and, more importantly, to the vast bulk of Western Australians. I would like the Minister for Finance to counter the argument. Yes, we can point to improvements, and I enjoyed the answer the Minister for Finance gave to the question relating to the social dividend. I agree that access to hospitals is obviously a social dividend, as is more spending on roads. We know what paid for the improvements to roads; it was a stand-alone levy or an increase in the state fuel tax which was wholly hypothecated to roads. The Opposition entirely supports the way those funds were dealt with.

Hon Max Evans: Also \$44m a year used to go to Transperth, and the Government has transferred that to roads and made up the shortfall.

Hon KIM CHANCE: I have previously acknowledged that, although I argue that Transperth was a legitimate transport function.

Hon Max Evans: This Government allocated \$100m a year to roads for the first four years.

Hon KIM CHANCE: Although I agree that in some areas a social dividend has been delivered, people can see directly that it has been paid for by additional charges; namely, an increase in the state fuel tax which is now handled by the Commonwealth, but we know it is the same thing. It has not been generated from better management which has flowed directly from the process of privatisation, contracting-out and outsourcing. I believe that was a fundamental tenet of this Government's philosophy when it came to office in 1992. I am generalising that the plank upon which this Government relied has let it down. It may have held its own in the economic management of this State, by virtue of lower interest rates and debt reductions made possible by the sale of assets, but it has done nothing more. It does not take a genius to sell off the back paddock.

Hon Max Evans: We did not increase debt to cover expenditure. You increased debt which increased interest charges. We have turned all that back and it is a social dividend.

Hon KIM CHANCE: Those are all matters of record, and I do not want to argue about them. If the minister wants me to say that this Government has been a sound economic manager, I am happy to say that. However, the Government must be disappointed with the benefits that have flowed from the process of privatisation, competitive tendering, contracting-out and outsourcing, because evidence of the outcome of benefits from those processes cannot be observed. We owe the strength of our economy to things which are clearly identifiable. The degree to which a social benefit has been delivered is also clearly identifiable in terms of the source of the finance which was required to provide it. None of that can be identified as flowing from the processes which we describe generically as privatisation.

Hon N.D. Griffiths: Or financial management.

Hon KIM CHANCE: The financial management is ordinary and I will not go any further than that.

Hon Simon O'Brien: This whole line of debate is an exercise in fairy land.

Hon KIM CHANCE: I would be pleased to hear the member destroy the argument at the appropriate time because it is as I and thousands of others see it. Perhaps that means the Government has not been able to sell the skill of its economic management very well, but I believe that the argument that we have provided stands up in matters of fact and is completely supportable in matters of fact.

Hon Simon O'Brien: I will respond some other time.

Hon KIM CHANCE: While we are considering the Appropriation (Consolidated Fund) Bill (No 3) it is relevant that we ask ourselves: What has the policy of outsourcing achieved for our economy? The Standing Committee on Public Administration obviously has an interest in this and it is currently considering the outcome of what is now over a decade and a half of privatisation in the United Kingdom. While I cannot say anything about it, I hope that committee will shortly report to the House on its findings. I urge members to consider that committee's report very carefully. As is the case with any report of the Standing Committee on Public Administration, it is the result of careful and bilateral consideration of the issues that its members observed in the United Kingdom.

Hon B.K. Donaldson: Even after universal investigations.

Hon KIM CHANCE: Yes, it certainly involved investigation in the United Kingdom since that is where the processes exist. I hope the report will be a useful guide to the State's administration generally because I believe it has the potential to be required reading for people regardless of whether they support privatisation - whether they want to improve the outcomes or whether they prefer to set aside that initiative.

I turn now to infrastructure development. Recently Mr Minson, as the local member, opened the northern ward conference of the Country Shire Councils Association in North Hampton. Mr Minson made some comments which I found extremely profound. He put the issues which confront the mid west region in a particularly clear light and he expressed his thoughts with such clarity that they impressed a number of people, not the least myself.

Hon B.K. Donaldson interjected.

Hon KIM CHANCE: Hon Bruce Donaldson was one of the many members of Parliament who were present. I was very impressed as were other members of this place. Mr Minson addressed the future infrastructure development needs of the mid west region in particular, although he may also have been speaking of the goldfields region, the south east, the great southern, the Peel region or any other region in Western Australia. In effect he said that in the light of the current flat economic conditions which are affecting the mid west, it was the right time to reassess our priorities and look at the costs and benefits of the planned infrastructure development that is already on the table for the region.

The budget makes certain commitments to significant infrastructure spending in the region. Again, this relates to a private conversation I had with Hon Dexter Davies and I was surprised, bearing in mind that we come from somewhat different positions, that we did not really disagree on the fundamental facts. It seems to me that while we have made the commitment to spend this money, we do not really know if it will be money well spent. The mid west and a number of other regions are suffering from a lack of long-sighted and eclectic planning about what will happen in the long-term future.

I have no specific objection to any of the commitments which have been made and are now detailed in the budget. They include such issues as the southern transport corridor and the improvements to the port of Geraldton, but my objection and, if I understood correctly, Mr Minson's objection is that nobody has pooled all of that planning which has been done by the various agencies responsible. Good, high quality planning has been done by the Department of Transport and the port of Geraldton; planning has been done by everybody, but nobody has ever put it all together.

In this budget we are considering the expenditure of hundreds of millions of dollars on infrastructure development in the mid west, yet we have not asked the question: Does the cost-benefit analysis for the spending of those hundreds of millions of dollars on this project indicate a greater level of productivity will be achieved than would be the case if the money were spent on another project in another part of the mid west? Is it the right time to spend that money on that project, or should we be spending the money on another project further out? I understand how difficult this is.

In a debate in the other place my colleague, the member for Eyre, referred to the cost of the under-use factor if the port of Oakajee were developed and not fully used. It seems to me that when the member for Eyre suggested to Mr Barnett that the cost of the under-use factor for the port of Oakajee could be as high as \$25m a year, Mr Barnett effectively winked at him and said, "You are not far from the mark." If that is the truth, and the under-use cost is \$25m a year, we all know that could continue for 10 years, so we are essentially talking about an interest cost of \$250m a year. That is almost the same as the cost to upgrade the facilities in Geraldton. There are arguments both ways and I am not committed one way or the other. However, I think we should be supporting Mr Minson and asking that question.

Hon N.F. Moore: Flexibility is a good quality.

Hon KIM CHANCE: We must be flexible. We have just been through a process whereby -

Hon N.F. Moore interjected.

Hon KIM CHANCE: The Leader of the House is being ungenerous because we have been through a process in the mid west whereby we initially believed that the steel plant could not proceed. Then we thought perhaps it could proceed, then we had to make the infrastructure plans on the assumption that it would be there, and then we had to make decisions about whether we needed the new port. Now it may be that the steel plant will not see the light of day as early as we would have hoped, if at all.

When we are talking about gross investments of about \$1.5b of private and public sector money, it is an advantage to be somewhat flexible. If we make a mistake in the commitment of those funds we could doom the mid west to continuing its current flat economic conditions for some time. We have seen neither an effective cost-benefit analysis of any of those projects nor how those projects should inter-relate with each other. Worst of all, it seems that none of the present development commitment has been structured into an overall plan. That is not a criticism, but it is a warning for all of us that we need to have a good hard look at the mid west's planning and that this is the right time to do it. That is all that Kevin Minson was trying to say. It is not to say that there has not been any planning because it is apparent that there has been some good planning, but it is apparent also that nobody has attempted in a cohesive way to draw together that planning.

HON MAX EVANS (North Metropolitan - Minister for Finance) [4.51 pm]: I commend the Bill to the House.

Question put and passed.

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

APPROPRIATION (CONSOLIDATED FUND) BILL (No 4)

Second Reading

Resumed from 8 December 1998.

HON JOHN HALDEN (South Metropolitan) [4.52 pm]: It was not my intention to comment on this Bill, but I know that Hon Ljiljanna Ravlich intended to do so.

Hon N.F. Moore: Regardless of any commitments by your leader.

Hon JOHN HALDEN: That is okay. From a conversation that I overheard I now understand that my colleague Hon Ljiljanna Ravlich wants to speak on the Bill. As the shadow spokesperson on finance, I should express the Opposition's

position, and that is that it supports the passage of the legislation. I note the extent of the advances in Appropriation (Consolidated Fund) Bill (No 3) and Appropriation (Consolidated Fund) Bill (No 4). We must question why we must have what in essence is \$400m worth of Treasurer's Advances in any one year. I understand that some matters are urgent and come -

Hon Max Evans: The explanatory notes set them all out.

Hon JOHN HALDEN: I have read the explanatory notes; that is why my comments will be short.

I am pleased that my colleagues are seemingly prepared to make their speeches. I hope the minister is right when he says that it is laid out in the notes as to why the advances are made, but \$400m seems to be a lot of advances in any one year. I would be pleased to hear whether there are any mechanisms whereby that amount of money will be reduced in future.

HON TOM HELM (Mining and Pastoral) [4.54 pm]: I take this opportunity to make my comments now rather than during the adjournment debate and while some things are happening behind the scenes.

The PRESIDENT: That is Hon Tom Helm's entitlement, but Appropriation (Consolidated Fund) Bill (No 3) was a Bill that the House could not amend. As a result the debate was allowed to be wide-ranging, and indeed it was; it covered many aspects. It is not unusual in a debate on a Bill that we cannot amend that we cover many subjects. Some members give a tour of their electorates, as many members would be aware, and other members talk on matters of interest to them. Appropriation (Consolidated Fund) Bill (No 4) can be amended, and as such there is a requirement that members speak to the Bill itself - that is, to whatever is contained in the Bill. I am sure that Hon Tom Helm was about to do that, but I raise that point for the benefit of other members.

Hon TOM HELM: Thank you for your guidance, Mr President. I ask for your guidance on this matter because -

The PRESIDENT: We have plenty of time and I want to have the matter sorted out in a proper manner.

Hon TOM HELM: If you recall, Mr President, the basis of my contribution in respect of Appropriation (Consolidated Fund) Bill (No 3) hung on the \$28.8m that was out of the economy of Western Australia. Is that the sort of thing you -

Point of Order

Hon N.F. MOORE: In the context of your comments about the Bill, Mr President, Hon Tom Helm is about to talk about \$28.8m worth of exploration in Western Australia. That has nothing to do with the Bill.

The PRESIDENT: I understand the right of the Leader of the House to ask me whether Hon Tom Helm's point of clarification is in order. As I understand it, Hon Tom Helm is putting a proposition to me, and I think that he will ask whether it fits within the scope of the Bill. I do not know yet because I have not heard the reasons.

Debate Resumed

Hon TOM HELM: If there is any confusion about the position that I was going to adopt, I would rather not make a contribution.

The PRESIDENT: I would be very happy to hear Hon Tom Helm because I think it is to the benefit of all members. If I say that it is not within the scope of the Bill, Hon Tom Helm will have every right at five o'clock to raise the matter, whatever it is, in the adjournment debate. I am not restricting Hon Tom Helm's ability to speak. If he would like to ask a question, the answer may be of assistance to other members.

Hon TOM HELM: I was bringing to the attention of the House the minister's inability or the minister's actions -

Point of Order

Hon N.F. MOORE: The member is retreading a debate which was held last night and which is quite outside the scope of the Bill. He is having another go at it. It is quite irrelevant.

The PRESIDENT: I have not even heard the proposition that Hon Tom Helm wants to put forward. Although it is not for me to say when I am in or out of the Chair, I was not in the Chair when Hon Tom Helm raised whatever issues they are. If Hon Tom Helm will tell me in brief terms what he wants to raise, I will tell him whether it is in the Bill. That is all I want to sort out.

Debate Resumed

Hon TOM HELM: I did not mean to hurt the feelings of the Leader of the House, and I will not. It appeared from my contribution last night that there was \$28.8m not within the coffers of the State, for whatever reason, and I wondered whether that would be in the context of your advice.

The PRESIDENT: I thank Hon Tom Helm. The answer is no, it would not in respect of the Bill, because debate is now restricted basically to those issues that are set out in attachment 1, which lists various increases or overruns in expenditure. They are the only matters that can be raised in respect of the Bill. The other matter that Hon Tom Helm wants to talk about would properly be discussed in the adjournment debate.

HON LJILJANNA RAVLICH (East Metropolitan) [4.58 pm]: I am pleased to comment on Appropriation (Consolidated Fund) Bill (No 4). I understand that it is not a free-ranging debate. The issue that I bring to the House is listed under schedule 1, under the responsibility of the Minister for Resources Development, Energy and Education, and it specifically

relates to the Office of Energy. The matter I want to bring before the House concerns not only Western Power job losses but also some of the activities that are occurring within Western Power. My concern relates to the establishment of a joint venture between the Western Australian State Government through Western Power and Integrated Power Services which is linked to the Aberdeen Oil Company. Before I raise that in any great detail I will put on record my concern.

The PRESIDENT: Order! It is five o'clock and I must interrupt the debate in accordance with standing orders. Before I ask the Leader of the House to move the usual adjournment motion, I advise members that the Appropriation (Consolidated Fund) Bill (No 4) covers an amount in excess of \$19m, being payments of an extraordinary or unforeseen nature made under the authority of the Treasurer's Advance Authorization Act and charged to the consolidated fund. This Bill appropriates certain moneys for capital services and purposes expressed in schedule 1. Schedule 1 refers to the amounts of money that were appropriated from the consolidated fund for the year ended 30 June 1997. Significant amounts of money were set aside then for what was said to be capital expenditure. In the meantime, some of those departments or agencies have apparently overspent their budget. There is a requirement therefore for the Minister for Finance or the Government to seek from this House authorisation for that over-expenditure which is set out in attachment 1. That is the area about which we should be talking. In the first instance Hon Ljiljanna Ravlich has found within schedule 1 of the Bill - with respect to the over-runs - an amount of \$999 539.10 made out in favour of the Office of Energy under the heading "Minister for Resources Development, Energy and Education". If Hon Ljiljanna Ravlich is to talk about anything with respect to the Minister for Resources Development it must be the Office of Energy and it must relate to that \$999 539.10. I am trying to clarify my position and the purpose of the Bill.

I understand that next week, although it is up to the Leader of the House to determine the business of the House, there may be an opportunity of moving to another area to note the tabling of the budget papers. The Legislative Council is not able to amend the tabled papers so that will again allow a free-ranging debate. I raise those points for the member's benefit. I am more than happy to talk to any member about this if there is any confusion. I detected that Hon Ljiljanna Ravlich was heading off into an area that is not the subject of this attachment to the Bill.

Hon LJILJANNA RAVLICH: I seek your guidance, Mr President. My understanding is that my comments relate directly to the Office of Energy. I will have that matter clarified before debate resumes on Tuesday. If it is found not to be the case I will take up the opportunity later.

The PRESIDENT: I trust Hon Ljiljanna Ravlich will be able to do that. Her introductory comments led me to believe that she was not talking to schedule 1. I am happy to discuss it with her and I am sure we can resolve the issue by Tuesday.

Debate adjourned, pursuant to standing orders.

ADJOURNMENT OF THE HOUSE

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [5.04 pm]: I move -

That the House do now adjourn.

Business Management Committee - Adjournment Debate

Hon N.F. MOORE: Every Thursday at this time a management committee meeting is held involving members from all parties at which I indicate what the Government wants to do the following week and members say what they want to do. We leave on the basis of what will happen the following week. Last week I raised with that committee the Government's desire to debate and pass appropriation Bills Nos 3 and 4 this week. I was given to believe that would be the case. Although no-one made any commitment, no-one said that would not occur. I asked the Leader of the Opposition again yesterday whether these Bills would be passed this week. He indicated that he thought they would be passed last night. Now I find - on Thursday night at five o'clock - with one Bill having been passed and long speeches made, which of course members have a right to do, another debate is about to commence on Appropriation (Consolidated Fund) Bill (No 4).

Hon Bob Thomas: We are 10 minutes away from passing it.

Hon N.F. MOORE: If I had moved to sit beyond five o'clock I know what would have been the response of Hon Bob Thomas. I raise this by thinking aloud about the point of having management meetings. I must indicate to members what I want to do next week and it seems that it is a one-way street. I was happy to accommodate the Democrats so that they could deal with their Bill this week and I accommodated the Labor Party last week so that it could deal with its Bill. I seek some consideration in return. I asked the meeting last week - I was not told of any reason why not - if the House would deal with two appropriation Bills this week, bearing in mind that these are 1998 budget Bills. From today a string of new ones will be introduced. If members opposite want to talk for hour after hour, as they do, they can do it on the new budget Bills.

The Minister for Finance moved a motion today that we take note of tabled papers. That is a debate on which all members can speak for one hour. I do not know why debate on these two Bills should take all of this week and continue into next week without anyone telling me, as Leader of the House, that would be the case. I kept asking whether it would be passed this week. Until 15 minutes ago that was my understanding of what would occur. Management meetings at which people try to reach agreement are fine by me. However, if it is a one-way street I will not have them because that would be a waste of my time and that of other people. I should at least know when people change their minds following a management meeting.

The PRESIDENT: Order! As this is a limited-time debate, I will call the Acting Leader of the Opposition, then Hon Tom Helm, because I believe he indicated that this is the Bill on which he should speak. I will then call Hon Helen Hodgson, followed by Hon John Halden. I will call Hon Ljiljanna Ravlich if there is time.

HON N.D. GRIFFITHS (East Metropolitan) [5.08 pm] I note that the Leader of the House acknowledges that no breach of commitment was made by the Opposition. It made no breach of commitment. My understanding is that the Australian Labor Party was of the view that more likely than not, the business that the management group thought could be accomplished this week would be accomplished and we are quite close to that. The simple fact is that one member wished to speak on the second appropriation Bill with which we are dealing. I understand from her that her comments will not be very lengthy. The fact is that the Australian Labor Party is not the only party in this House. We have a number of members, most of whom did not speak to any of the appropriation Bills on the Notice Paper earlier this week. Other parties are in this House. Frankly, if any reasonable person examines the *Hansard* today - I am not criticising members who have spoken - they will see that the time occupied by members of the ALP in dealing with the Appropriation (Consolidated Fund) Bill (No 3) is nothing like that which it could have been. In fact, members of other parties made significant contributions in the time taken.

Similarly, when the Appropriation (Consolidated Fund) Bill (No. 3) was dealt with earlier this week, members of the government parties also spoke. I have noticed in the years I have been here that that is not a very common occurrence. For the Leader of the House to get upset about the fact that the business he wanted to deal with this week may go over for a short period next week does not say much for his management of government business. He complains about the fact we had a budget presented this afternoon and we are dealing with the 1998 appropriation Bills. That is great; that says everything. I know other members wish to speak, so I will sit down.

Native Title, Mining - Adjournment Debate

HON TOM HELM (Mining and Pastoral) [5.11 pm]: We have the worst Leader of the House we have ever had. He whinges like a Pom. He whinged last night about the Mining Act.

Hon N.D. Griffiths: You spoke for only 45 minutes when you could have spoken for an hour. You cut your words short.

Hon TOM HELM: To set the record straight, the minister said that the ability to grant exemptions to mining leases existed in 1991, and he gave figures to support that. I analysed those extensive figures and I found that in 1991 to 1993, when the Labor Party was in government, 263 exemptions were granted. From 1994 to the present day there have been 903 exemptions. From the beginning of debate on the native title issue in this State - from 1995 to 1997 - 598 exemptions have been granted.

I will put that into context because the Leader of the House whinged that I was taking things out of context. I refer to the unrehearsed question from Hon Greg Smith during question time in relation to Poseidon. I am not attacking Poseidon, Sons of Gwalia, Peko Wallsend Ltd, Normandy Mining or anyone else, I am asking that we look at the Act that allows these things to happen. Those companies are obliged to take advantage of those opportunities, and they are. I am sheeting this home to the minister. If we have a problem because mining companies cannot talk to native title claimants, the Government should find someone who can. Why is it that south of the twenty-sixth parallel we have this problem and north of it we do not? Yes, there is a problem; I am not backing away from that. However, that problem does not equate to half the drill rigs in Kalgoorlie being laid off or 14 per cent unemployment. The native title issue cannot be blamed for that. It has some effect, and I accept that. There is a need for change, and the Labor Party accepts that.

Hon Greg Smith: It can be changed tomorrow.

Hon TOM HELM: The titles validation legislation has been passed by members opposite; they accepted the Labor Party amendments. Members opposite agreed to those 1 300 leases being rejected. I do not know whether the Poseidon lease is part of that. It is a parliamentary issue; the entire Parliament agreed.

Hon Greg Smith: Are you saying that we should not have validated the others?

Hon TOM HELM: I cannot criticise the Parliament's decision; that is out of order. Members opposite have been elected to govern and they have agreed that the Labor Party's amendments were sensible -

Several members interjected.

Hon TOM HELM: If they did not agree, it would not have been passed.

The PRESIDENT: One of the difficulties we have is that in the end we will have a member reflecting on a vote of this House. That is the point Hon Tom Helm was getting at, and he did not want to be seen to be doing that. Some of the interjections appear to be doing that. We will have Hon Tom Helm speaking.

Hon TOM HELM: Members must understand that the title validation legislation has been passed by both Houses. The Native Title (State Provisions) Bill has nothing to do with leases. It is not unconnected, but the member is talking about validation and he is not explaining what the Bill provides. If there are problems - I am not saying there are - surely the minister has a responsibility to see the resources of this State exploited in the way they should be. If a mining or exploration company cannot negotiate with native title claimants, the minister should find someone who can.

Native Title, Miriuwung-Gajerrong Decision - Adjournment Debate

HON HELEN HODGSON (North Metropolitan) [5.16 pm]: I also want to speak on that dreaded topic of native title. I bring to the attention of the House a decision made today in relation to the Miriuwung-Gajerrong case. I understand that the court has awarded costs against the Government to the extent of about 90 per cent of the Aboriginal Legal Service costs, and that is in the region of \$5m.

I found out about that because I made a telephone call after I read in the budget speech that \$850 000 had been allocated to negotiations in respect of native title agreements. I rang a contact and asked how far \$850 000 would go. I was told that the Government had just had nearly \$5m awarded against it in respect of litigation. I then perused the budget papers - having had them for only a couple of hours I cannot claim to have mastered the fine detail - but I could find no reference to what the Government is putting aside for litigation.

If we go back to the Select Committee on Native Title report of September 1998, we see that a whole chapter is devoted to the State's obligations and responsibilities in respect of negotiations and agreements. The thrust of that report is that the State can save the stakeholders and itself a lot of money if it does the right thing by native titleholders and enters into negotiations and agreements.

I do not know how many agreements can be negotiated for \$850 000. I have pointed out that \$5m in court costs has already been awarded against the State. We still do not know the cost of the High Court appeal. We have been trying to establish that, but have been told that it is impossible to estimate until further down the track, and I accept that.

There is a distortion and it will cost the public of Western Australia a lot of money. A little bit of money put aside to deal with problems at an early stage in a less confrontationist way will save a lot in litigation.

State Budget - Adjournment Debate

HON JOHN HALDEN (South Metropolitan) [5.19 pm]: Like Hon Helen Hodgson, I have not had much time to look at the budget. However, it seemingly has some very close links with the budget brought down in Victoria on Tuesday. This budget is strong on short-term capital works spending and does little to improve the long-term prospects for the provision of public services such as health and education. The Government says it will build new schools, but it will provide no teachers. It says it will build new police stations, but all it will do is provide another 100 police officers from the courts.

At the end of the day, one must question whether this is the appropriate way to spend this State's money. Unlike the Victorian budget, this budget is short on making this State cleverer. The Victorian budget allocated significant amounts of money for research and development, science and innovation. That is not the case here. The Government in its capital works program has brought forward those projects that it has either deferred, were in the pipeline or have been neglected over a long period of time.

Hon Kim Chance: Which will be deferred again; we all know that truth.

Hon JOHN HALDEN: They probably could be deferred again, as Hon Kim Chance said; that is the Government's business. However, it had an opportunity to invest in far more appropriate areas than it has in this budget. There is an interesting suggestion on page 22 of budget paper No 3 that there will be subdued commodity prices. In the days of buoyant commodity prices, significant private sector investment and subsequent benefits to state-sourced revenue, this State did nothing to try to invest in capital works. In fact, it continually cut back, with the exception of roads. One must question the capital increases in funding for Westrail. The Government is to invest money in Westrail and in AlintaGas. Why, in God's name, would the Government invest money in those two entities when it proposes to privatise them? What sort of nonsense is that when we have a health system, an education system and law and order screaming out for resources; yet government fools want to invest money in assets that they propose to sell off?

Hon Greg Smith: An amount of 23 per cent of the budget is allocated to education.

Hon JOHN HALDEN: Hon Greg Smith, fool, should be quiet for a moment.

Hon Bob Thomas: It was 25 per cent when we were in power.

Hon W.N. Stretch: All borrowed.

Hon JOHN HALDEN: "All borrowed" says the gentleman over there. An amount of \$800m will be borrowed this year by the Government. Let us get real! The Government says it is doing this so that it will increase net assets and it will sell off Westrail and AlintaGas but inject immediately, presumably, into its capital resources. What a joke! If the Government wants to invest in net assets it should build the Mandurah railway line; then it would be serious. It would not bribe us in terms of AlintaGas. It would be serious, but it is not serious.

Hon Simon O'Brien: How would you pay for it?

Hon JOHN HALDEN: Maybe the Government would borrow \$800m. What a stupid, inane comment.

Hon Simon O'Brien: How would you service that debt?

Hon JOHN HALDEN: Hon Simon O'Brien will be the Minister for Finance next.

Hon Simon O'Brien: It cost us \$68m a year every year to service that debt and you know it, but that is your answer.

Hon JOHN HALDEN: There is vitally needed community infrastructure and this Government is not prepared to invest in it. Hon Greg Smith pointed out the figures when he spoke about education or health. Let us look at Health in this budget.

Several members interjected.

Hon B.M. Scott: What are you talking about, education or health? Make up your mind.

The PRESIDENT: Order! If we can have just one member speaking we will be able to record what is being said. There are so many interjections at the moment that Hon John Halden is not able to be heard.

Hon JOHN HALDEN: I am trying the best I can, Mr President. The Health figure is interesting because the shonky figures that the Government brought out in this budget are beyond belief in comparing one example with another. One of the great examples of the health figure is to look at it as real per capita growth or reduction, a very simple mathematical equation; one that the Government was not able to produce but one that I was able to produce very quickly, thank goodness. It is interesting that in the health figure on the basis of real per capita funding there is actually a decrease.

Hon Kim Chance: It has gone down?

Hon JOHN HALDEN: It has gone down; however, it does not stop there. I have looked at only four figures. Real per capita expenditure for police is down by more than 1.1 per cent. The Government can gloss up the figures and compare them, as it attempted to do. Hon Greg Smith said that the Government spent an enormous amount of money on education. It is easy to perform tricks with mirrors. The Government compared last year's budget figure with this year's budget figure. It forgot that it needed to provide another \$50m to recurrent funding in education this year and another almost \$15m for capital expenditure in education, an additional \$65.5m. It forgot about that, used the lower figure and compared it with the budget - all tricks with mirrors. The realities are that on a real per capita basis the increase in education funding is 2.479 per cent. The Government is wrong if it thinks that we will sit here while it produces these documents at great expense using various starting points for comparison. It will use anything to suit its own purpose. In one case it talked about the budget, about the estimates and then about some other benchmark; it is never consistent. If it wants to be consistent there is one thing it should do: It should compare what it spent this year on a real per capita basis with what it will spend next year; and there lies the truth.

As I said on Tuesday night - in a speech that seemingly offended the Leader of the House as it may have been a bit long - the Government still has not looked at the area of greatest expense; that is, the management of the State's bureaucracy. There is nothing in this budget that suggests to me that the Government is trimming and pruning any of the areas I referred to in that speech, areas referred to by a number of economic analysts in this State. The Government is not serious about that. Over the years it could have saved significant amounts of money. In a year when it clearly needed to prime the pump with a good bit of Keynesian economics, it did not do it. Sooner or later the Government will have to make a hard decision. The hard decision is not about slashing and burning; it is about rationalising and about the things members opposite tell me all the time that they are so good at because they know it all. It is really about making some hard decisions, planning well and implementing; but, as I said the other night, the Government squibbed it.

The growth forecast in the budget is a bit of a joke. It refers to 4.5 per cent and I do not think any economic analyst in this State, or the nation, can come up with anything like that. The Government knows it will be about 2 to 3 per cent. The Government had a policy on debt reduction. It has lauded it over us for six years; it has sold government assets willy-nilly and proposes to sell others willy-nilly again. Today the Government says it is going to spend another \$800m and it will borrow. Having for six years put up with all the nonsense about the evils of borrowing, I know that the only government member in this place who has supported me is Hon Barry House when I have said that borrowing in some circumstances is most appropriate. Mr President, this budget will deserve, and will get, more scrutiny.

HON LJILJANNA RAVLICH (East Metropolitan) [5.28 pm]: I too make comment on the budget that was handed down today. This budget represents a desperate attempt by the Court Government to pump-prime the economy, which for six years this Government has done nothing but allow it to run down. We have not seen a crane in the central business district for six years. The housing sector is very sluggish. There is ample evidence of the fact that this Government has allowed the state economy to run down. There is ample evidence which suggests that consumer confidence is down, private consumption is down, housing investment is down, business investment is down, and public demand is showing that all the trends are pointing downwards.

In support of that comment, I draw the attention of the House to figures that have been produced by the Chamber of Commerce and Industry of Western Australia in its economic review report 1998-99. These figures are for the annual contribution to state final demand growth for the period September 1997 to September 1998, and they have been seasonally adjusted. The figure for private consumption reduced from 2.9 per cent to 2.0 per cent, for housing from 0.7 per cent to minus 0.2 per cent, for business investment from 3.6 per cent to 2.8 per cent, and for public demand from 4.5 per cent to minus 0.6 per cent. The state final demand reduced from 11.8 per cent in September 1997 to 4.1 per cent in September 1998. If that does not prove that there is no confidence within the economy and people are not spending, I do not think anything will.

What the Government presented today was a typical Keynesian budget: Too little, too late; and an attempt to pump-prime the economy. The Government does not realise that if it does not give people jobs, if it puts people onto short-term contracts, and if people are insecure about whether they will have a job from one week to the next, people will naturally act with caution. In this case, Western Australian taxpayers are exercising extreme caution. They are not prepared to borrow \$100 000 to build a house because they do not know whether they will have a job from one week to the next. I have seen plenty of evidence of that, particularly with regard to what this Government has done within the Public Service and the 15 000 people has put on the dole queue.

The Government talks about its fine performance with regard to the unemployment figures. Those unemployment figures are not a true reflection of what is happening. The Federal Government, in a desperate attempt to reduce unemployment figures, introduced the youth training allowance. That forced post-school students back into employment or training, rather than into looking for work, and it therefore directly tampered with the unemployment statistics. Many of those people are doing courses, are in a training job in which they do not want to be, or have given up trying to find a job because the opportunities do not exist, and they are not showing up in the unemployment figures. If people are employed gainfully for

only about four hours a week, they do not show up in the unemployment figures. I know of many people who have been sacked from the state public sector and have been forced to set up a consultancy or other business ventures, who are struggling because they are not employed full time but are employed for only one or two days a week, yet they are not showing up on the unemployment figures. The bottom line is that people in the community are doing it hard, and the unemployment statistics do not reflect what is happening within our community.

I have perused the state budget in some detail, and it raises many questions. I asked the Minister for Justice a question today about a commitment that he has given on legislation which is before this House with regard to the core functions project; that is, the promise that 200 police officers would be released from court and custodial services and put onto the street, which basically is the basis on which the Court Security and Custodial Services Bill was sold to all and sundry. We have found out today that that is not likely to happen and that we may end up with only up to 100 officers. It amazes me that the minister did not even know what had been put in the budget papers with regard to an area that is specific to his portfolio. That is an absolute disgrace!

The issue I really want to touch on is Health. Members would not be surprised that the health system in Western Australia has gone from crisis to crisis, with only an additional \$70m put into the state health system during the last budget. The Australian Labor Party argued that at least an additional \$140m would be required. The State Government subsequently did add another \$70m -

Hon Greg Smith: Where would you get the money from?

The PRESIDENT: Order! I cannot discern what Hon Greg Smith is saying, because I am a fair way from him. I know he is saying something, because it is blocking out what Hon Ljiljanna Ravlich is saying.

Hon LJILJANNA RAVLICH: In today's budget, an additional \$153m has been allocated to Health, but the Government's budget papers show that 13 852 people are still waiting for elective surgery. That is the lowest figure in the past 16 months. We need to add to that the people who are waiting for cataract and hip operations. I understand from the budget papers that the health system is only three-quarters of the way through the waiting list for cataract surgery and only halfway through the waiting list for hip operations. I doubt very much whether \$153m will be enough to shift a lot of people off those waiting lists. I will be paying great attention to see the real effect of the Government's allocation in that area -

Hon Kim Chance: It is a real reduction.

Hon LJILJANNA RAVLICH: As Hon John Halden pointed out, per capita funding on Health in real terms has been reduced this year in comparison with the amount last year. We can only conclude that many of the people on waiting lists for whatever reason will continue to hurt as a result of this Government's budget. This is an issue about priorities. This Government is more concerned about laying concrete than about saving people's lives. That is an absolute disgrace. There is no end to the number of road projects that this Government has been involved with, when many people in our community are in pain and are suffering. Given the level of asset sales which this Government has engaged in over the past six years and its contracting-out and privatisation agenda, which I understand has resulted in billions of dollars worth of asset sales, there have been no real benefits for average Western Australians. If the Minister for Finance is telling Western Australians, as I thought he was telling them today in this place, that they are now better off because they can go on a holiday on the roads that his Government is building, I can assure him that that is not the case. Western Australians want to undergo surgery to have their hips replaced and their eyes fixed before they go on a driving holiday on those roads. The Government needs to look at its priorities.

With regard to the social dividend, or lack thereof, there has been no reduction in taxes and charges over the past six years.

Hon Simon O'Brien: Your colleagues want to talk about real terms. In real terms there has been a reduction.

Hon Greg Smith interjected.

The PRESIDENT: Order! Hon Simon O'Brien and Hon Greg Smith will come to order.

Hon LJILJANNA RAVLICH: This Budget yet again delivers no social dividend to Western Australians, and many Western Australians will continue to hurt as a result of this Government's lack of initiative in key areas.

Regional Forest Agreement, Public Submissions - Adjournment Debate

HON NORM KELLY (East Metropolitan) [5.39 pm]: On a more positive note, I will change the topic and talk about the Regional Forest Agreement.

Hon Ken Travers interjected.

The PRESIDENT: Order! I know it is Thursday afternoon and Hon Ken Travers will not get an opportunity to speak because we will run out of time, but that does not give him the right to interject; and that goes for other members too.

Hon NORM KELLY: In a question that I asked during question time today, I was trying to get some information which is not present in the RFA documents about the public submissions that were received during the public consultation phase of the RFA last year. Shortly after that phase closed, we asked the Minister for the Environment for some results from the more than 30 000 submissions that were part of that consultation process. The minister said that she would not release any information on those submissions until the Regional Forest Agreement had been signed. When we examine an analysis of those submissions, we realise what a big mistake the minister made by keeping these details secret from the public of Western Australia.

On page 10 of the "Analysis of Public Submissions", the first issue referred to is that the Wellington Dam land tenure map is inaccurate. The action taken is that that has been acknowledged and the tenure map has been corrected. In answer to my question today, we were informed that that mistake involved over 2 500 ha being wrongly shown on that map. The second point in this analysis concerns areas of forest which were placed under the Department of Conservation and Land Management's management not being shown on the comprehensive regional assessment maps as being under its management. This was also acknowledged, and we find another 2 500 ha being incorrectly shown on those maps.

One would think that somebody who had made submissions pointing out those inaccuracies, or at least alerting the steering committee to the fact that there could be inaccuracies, would receive a response from the RFA team saying, "Yes, you are correct. We are taking steps to correct that situation. This is the real situation." However, that is not the case. In answer to the question that I asked today, the minister stated that due to the volume of submissions it was not feasible to respond to each individual with regard to their submissions. Surely a mistake of 2 500 ha is substantial enough that somebody should receive an acknowledgment saying, "Yes, you were correct; we were wrong. This is the real situation." The whole idea of the public consultation period was to iron out those problems and mistakes which will inevitably occur in such a process.

We then get to the biggest mistake of all; that is, the Premier, Richard Court, broke his promise to the people of Western Australia when he signed the scoping agreement and stated that a draft RFA would be released prior to signing. He has totally broken that promise. When the Federal and State Governments entered into this scoping agreement, the whole idea was to give an assurance that these mistakes would be picked up and that the public would be made aware of the facts. The federal Minister for Forestry and Conservation is always saying that people should stick to the facts and stick to the science. Unfortunately, the RFA team here breaks all the rules. The whole idea of a draft RFA was to present the facts, and if any finetuning was needed, that was when it should have occurred so that the public was made aware of those mistakes prior to the signing. Instead, during the public consultation process period in the middle of last year, people were looking at maps that were wrong, and they had no opportunity to make further submissions based on the facts and the science, which they should have been able to do.

I know that the Government was concerned that if it released a draft RFA, people would start squabbling over individual blocks and what was relevant in their own area. Why should people not be able to argue about what is relevant in their own area? I refer to the small communities in the south west, such as Balingup, which will lose its icon blocks and the community will not be able to enjoy the native forests in that area. Those people should have a legitimate say in what happens in the future.

This analysis of submissions is a pitiful document. The only statistical information on numbers was that over 30 000 submissions were received. However, it does not break that down in regard to the various issues that are contained within the document. This is just another document which shows that we have an imperfect RFA document, about which there will be argument for at least the next couple of years. Unfortunately, the Government has brought the confrontation and argument upon itself, rather than the security which the RFA was meant to bring about. Unfortunately, because of the Government's mistakes and because of the Premier breaking that promise that he made to the people of Western Australia in 1996, the State will seriously suffer in many ways before a solution is found.

Question put and passed.

House adjourned at 5.45 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

BEST ON EARTH IN PERTH EVENTS, REVENUE

716. Hon KEN TRAVERS to the Minister for Tourism:

In respect to the Minister's answer to question 448 of November 10, 1998, where he stated that the 1997/98 Best on Earth in Perth events generated \$150m in revenue for Western Australia -

- (1) Will the Minister provide a breakdown of these figures?
- (2) If not, why not?
- (3) Will the Minister table any documentation relating to the preparation of this figure?
- (4) If not, why not?

Hon N.F. MOORE replied:

- (1) The breakdown of figures relating to generation of revenue from the 1997/98 Best on Earth in Perth series is as follows:

| | |
|--|-----------------|
| *Aerobics World Championships | \$2.5m |
| *UCI World Track Cycling Championships | \$8.6m |
| *World Cup Darts | \$3m |
| *API Rally Australia | \$18.9 |
| *ITU World Triathlon Championships | \$13.2m |
| *Whitbread Round the World Race | \$6.5m |
| *ISAF World Windsurfing Championships | \$2.8m |
| *Hyundai Hopman Cup | \$1m (est) |
| FINA World Swimming Championships | \$67.8m |
| *Heineken Classic | \$7.1m |
| 46th Festival of Perth | \$15m |
| *Coca-Cola Surfing Masters | \$500,000 (est) |
| TOTAL | \$146.3m |

- (2) Not applicable.
- (3) The Best on Earth in Perth is a marketing concept for Perth, which includes a programme of events being staged in Perth, some of which receive financial support from EventsCorp (indicated with an asterisk), and others which have no direct relationship with EventsCorp.

In the case of most EventsCorp supported events, the figures are drawn from independent economic impact reports. Executive summaries of the following events researched in 1997/98 are attached. [See paper No 1026.]

1997 Aerobics World Championships
 1997 UCI World Track Cycling Championships
 1997 World Cup Darts
 1997 ITU World Triathlon Championships
 1997 Whitbread Round the World Race
 1997 ISAF World Windsurfing Championships
 1998 Heineken Classic
 1997 API Rally Australia
 FINA World Swimming Championships

- (4) Not applicable

ROAD VERGES, BOUNDARY FENCES IN RURAL AREAS

1000. Hon KIM CHANCE to the Minister for Transport representing the Minister for Primary Industry:

- (1) Has the Minister for Primary Industry been advised that rural landholders, particularly in the Shire of Busselton, are experiencing difficulty in constructing boundary fences adjoining road verges due to their local government authority's insistence that soil and vegetation on the verge are not to be interfered with?
- (2) Is the Minister for Primary Industry aware that at least one prosecution has already been launched by the Shire of Busselton against a farmer who did no more than clear the verge sufficiently to construct the boundary fence?
- (3) Will the Minister for Primary Industry discuss this issue with the Minister for Local Government with a view to resolving what is potentially a serious problem for rural landholders?

Hon M.J. CRIDDLE replied:

- (1) The Minister received correspondence from a resident of Busselton Shire expressing concern about a number of issues, including difficulties associated with boundary fences adjoining road verges. The clearing of road verges

vested with local authorities is regulated by the Local Government (Uniform Local Provisions) Regulations 1996, Regulation 5.

- (2) No, I am not personally aware of any prosecution action being initiated by the Shire of Busselton.
- (3) The correspondence referred to in (1), was directed to the Minister for Local Government for response.

AGRICULTURE WA, SMARTSTREAM FINANCIAL MANAGEMENT INFORMATION SYSTEM

1006. Hon KIM CHANCE to the Minister for Transport representing the Minister for Primary Industry:

I refer to problems identified by the Auditor General's Report No 1 of 1998 with the 'accounts receivable' module of Agriculture WA's 'Smartstream' Financial Management Information System, and ask -

- (1) What were the recommendations of the review undertaken by Deloitte Touche Tomatsu into the shortcomings of the 'accounts receivable' module of 'Smartstream'?
- (2) Has the Minister for Primary Industry implemented the recommendations of the Deloitte Touche Tomatsu review of this matter?
- (3) If not, why not?
- (4) Has Agriculture WA recovered all those monies which were mis-directed as a result of errors in the 'accounts receivable' module of the 'Smartstream' package for the financial years
 - (a) 1995/96; and
 - (b) 1996/97?

Hon M.J. CRIDDLE replied:

- (1) Deloitte Touche Tomatsu reviewed the Accounts Payable and made five (5) recommendations:
 - (a) Do not pay on photocopy of faxed copy of invoices and follow TI 309 Duplicate Claim procedures
 - (b) Pay accounts within established credit terms and review overdue Creditor statements items.
 - (c) For grant payments introduce a progress payment certificate.
 - (d) Stamp all invoices paid as "Paid".
 - (e) Monthly budget versus actual financial reports be reviewed for variances from budget.
- (2) Recommendations (a), (b), and (c) have been implemented completely. Recommendation (d) should be fully implemented by June 1999.
- (3) Not applicable.
- (4)
 - (a) Smartstream not in production in 1995/96.
 - (b) Yes.

TED ROWLEY & ASSOCIATES, CONSULTANCY

1017. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Commerce and Trade:

In relation to the Minister for Commerce and Trade's consultancy with Ted Rowley & Associates -

- (1) What services were provided by Ted Rowley & Associates?
- (2) What was the total value of this consultancy?
- (3) When was it awarded and when does it cease?
- (4) Were tenders called for this consultancy?
- (5) If yes, how many firms or individuals tendered?
- (6) If not, why not?
- (7) How much has been paid to Ted Rowley & Associates since the commencement of this consultancy?

Hon N.F. MOORE replied:

- (1) A range of matters as directed from time to time between the Chief of Staff, Office of the Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business – issues associated with natural resource management, the Natural Heritage Trust issues, the Salinity Action Plan, regional development matters and agri-business opportunities.
- (2) \$51 000 per annum for 100 days consultancy services plus costs for vehicle travel, travel and accommodation, meals, fax and telephone charges, city parking fees and sundry disbursements – all at cost to be reimbursed subject to a ceiling of \$85 000 per annum.

- (3) The contract was awarded to Ted Rowley and Associates from 14 February 1997 for 12 months on 27 March 1997 and ceased on 31 December 1997.
- (4) No.
- (5) Not applicable.
- (6) In accordance with a Cabinet decision dated 25 July 1997 regarding the engagement of Ministerial consultants, there is no requirement to seek tenders for contracts when the value of the contract exceeds \$80 000.
- (7) \$62 821.66.

SALINITY, ON-GROUND INITIATIVES

1028. Hon KIM CHANCE to the Minister for Transport representing the Minister for Primary Industry:

Regarding those components of the State Salinity Plan which fall within the ambit of Agriculture WA and which can be described as “on-ground” initiatives -

- (1) What is the expected output in terms of outcomes towards combatting salinity?
- (2) What cost benefit analysis has been indicated from each of these outputs?
- (3) Specifically, how is the agency’s component of the State Salinity Plan designed to contribute to the economic, social and ecologically sustainable development of regional Western Australia?

Hon M.J. CRIDDLE replied:

- (1) On-ground outputs of the Salinity Action Plan expected to be delivered by Agriculture Western Australia includes:
 - (a) developing and extending higher water using agricultural cropping and pasture systems;
 - (b) provide improved methods for planning the safe management of surface and shallow sub-surface waters;
 - (c) develop new technology for the productive use and rehabilitation of salt-land
 - (d) assist small scale producers with accessing customers and markets and to provide information on risks and returns for larger commercial projects;
 - (e) R&D into the design factors affecting water use and recharge control by woody perennials
 - (f) development of water use calculators and economic modelling tools;
 - (g) provision of advice to landholders on best drainage practice in irrigation and dry land;
 - (h) mapping of soil salinity, digital elevation models, orthophotos (air photos), salinity risk maps, remnant vegetation maps;
 - (i) evaluation of SALT MAP and DIGHEM airborne geophysics tools;
 - (j) Better Business project will deliver whole farm planning to farmer groups;
 - (k) coordinate and support R&D technical committee;
 - (l) preparation of practical information in readily accessible forms;
 - (m) provision of coordinated planning and advisory services;
 - (n) provision of 10 focus catchment support teams offering multidisciplinary advice;
 - (o) implementation of a rural towns program in partnership with local government;
 - (p) directory of government and non government assistance on salinity to community groups;
 - (q) provide accurate long term data on land condition to evaluate the Salinity Action Plan;
 - (r) streamline the administration of the drainage regulations and review legal arrangements relating to water management.
- (2) The State’s investment of over \$36 million per year is protecting \$4.5 billion of annual production in the South West Agricultural Region. As stated in the Salinity Action Plan “if effective management is not developed and implemented, the area affected is likely to double to 17% of farm area in 15 to 25 years, and eventually double again (to more than 30%) as ground water levels continue to rise”.
- (3) Across the agricultural region the Salinity Plan aims to:
 - (a) reduce the rate of degradation of agricultural land and where practical, recover, rehabilitate or manage salt affected agricultural land;
 - (b) protect and restore key water resources, high value wetlands, natural vegetation and natural diversity;
 - (c) protect designated infrastructure.

SALINITY, LAND CARE INITIATIVES

1029. Hon KIM CHANCE to the Minister for Transport representing the Minister for Primary Industry:

With regard to the role of Agriculture WA in the implementation of the State Salinity Plan -

- (1) Has both the Government and the agency thoroughly explored innovative and proven landcare initiatives in Australia and overseas with the aim of delivering the best possible programs to deal with salinity and regional sustainability, or are the current State Salinity Plan programs simply a renaming of old programs that had been in place for some years?
- (2) If new programs and landcare responses have been developed within the context of the State Salinity Plan, can the Minister for Primary Industry provide me with a list of those new programs and responses?
- (3) If the Minister and/or the agency has actively sought proven landcare initiatives interstate or overseas, can the Minister provide me with a list of those enquiries?

Hon M.J. CRIDDLE replied:

- (1) Many of the landcare and salinity control initiatives in the Western Australian Salinity Action Plan are best practice developed in Western Australia or modified from other sources to suit this state. For example, a recent visit to Western Australia by The Murray Darling Basin Commission to study the dry land salinity program in Western Australia indicates the high standing accorded to the Western Australian program. Western Australia also has a cooperative research program with Pakistan, where salinity is more widespread and with whom Western Australian control technologies compare favourably. A recent conference in Wagga Wagga dealing with rural towns and infrastructure affected by salinity was attended by a member of the Western Australian Rural Towns Program Committee and its Project Manager. No other States have programs in which all rural towns can participate.
- (2) Management responses to salinity are addressed in the Western Australian Salinity Action Plan. They include:
 - (a) water management practices
 - (b) use of saline land and water
 - (c) technology development and transfer
 - (d) planning and integration of best practices
 - (e) research and development priorities
 - (f) implementation mechanisms
 - (g) individual landholder support
 - (h) focus catchments
 - (i) water resources recovery catchments
 - (j) natural diversity recovery catchments
 - (k) rural infrastructure assets
 - (l) regional catchment based strategies
 - (m) supporting community groups in salinity management
- (3) Landcare initiatives sought interstate or overseas include:
 - (a) information on approaches to managing the salinity threat to rural infrastructure conference in Wagga Wagga NSW in 1998;
 - (b) joint project with Pakistan in productive management of saline land;
 - (c) participation in the development of the research and development strategy for the National Dry land Salinity Program funded through Land and Water Resources Research and Development Corporation;
 - (d) jointly funded research and development into high water use farming systems with Grains Research and Development Corporation and Primary Industries South Australia.

COLLEGES OF TAFE, ADVERTISING BUDGETS

1219. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

- (1) What was the advertising budget for the following colleges of TAFE in 1997/98 -
 - (a) Central Metropolitan College of TAFE;
 - (b) West Coast College of TAFE;
 - (c) South East Metropolitan College of TAFE;
 - (d) South Metropolitan College of TAFE;
 - (e) Midland College of TAFE;
 - (f) Central West College of TAFE;
 - (g) Great Southern Region TAFE;
 - (h) South West Regional TAFE;
 - (i) Hedland College; and
 - (j) Karratha College?
- (2) What were the equivalent budgets for 1996/97?
- (3) What was the advertising budget for the Western Australian Department of Training in -
 - (a) 1996/97; and
 - (b) 1997/98?

Hon N.F. MOORE replied:

Colleges are funded on a calendar year basis and the figures provided are for (1) 1998 and (2) 1997.

- (1)
 - (a) \$418,658
 - (b) \$572,474
 - (c) \$180,000
 - (d) \$226,597
 - (e) \$204,623
 - (f) \$141,052
 - (g) \$176,868
 - (h) \$253,013
 - (i) \$115,500
 - (j) \$89,200
- (2)
 - (a) \$281,960
 - (b) \$233,636
 - (c) \$130,000
 - (d) \$273,130
 - (e) \$199,126
 - (f) \$139,316
 - (g) \$156,863
 - (h) \$183,826
 - (i) \$111,500
 - (j) \$90,000
- (3)
 - (a) The approved Departmental budget allocation in 1996/97 for 'advertising' expenses was \$542,000. This allocation was made available to the Department's Community Relations Branch which was responsible for co-ordinating and administering the Department's advertising and promotional activities. It should be noted that for the first half of the 1996/97 financial year, prior to College autonomy, the Department also assumed responsibility for portion of College advertising.
 - (b) The approved Departmental budget allocation in 1997/98 for 'advertising' expenses was \$460,000. This allocation was made available to the Department's Community Relations Branch which was responsible for co-ordinating and administering the Department's advertising and promotional activities.

DEPARTMENT OF TRAINING, BUDGET

1220. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

- (1) What was the total budget for the Western Australian Department of Training in -
 - (a) 1996/97; and
 - (b) 1997/98?
- (2) What was the total budget for the following colleges of TAFE in 1997/98 -
 - (a) Central Metropolitan College of TAFE;
 - (b) West Coast College of TAFE;
 - (c) South East Metropolitan College of TAFE;
 - (d) South Metropolitan College of TAFE;
 - (e) Midland College of TAFE;
 - (f) Central West College of TAFE;
 - (g) Great Southern Region TAFE;
 - (h) South West Regional TAFE;
 - (i) Hedland College; and
 - (j) Karratha College?
- (3) What were the equivalent budgets for 1996/97?

Hon N.F. MOORE replied:

- (1)
 - (a) The Department's total budget allocation in 1996/97, excluding self funded activities was \$309,878,000.
 - (b) The Department's total budget allocation in 1997/98, excluding self funded activities was \$315,371,000.

The bulk of TAFE Colleges' annual funding is sourced from the Western Australian Department of Training's annual parliamentary appropriation. The Department's budget allocation is also used to fund both private and public training providers who provide training delivery through open and competitive processes in line with Government policy, and the guidelines and training priorities contained in the State Training Strategy.

The annual appropriation also provides funds for an on-going Capital Works Program and funding to operate - the TAFE Admissions Centre; WA Training Information Centre; State Training Board; Group Training Schemes; Industry Training Councils; and Employment Programs and Initiatives. Specific funding is made available for people who have special needs or are disadvantaged.
- (2)
 - (a) \$61,965,353 (includes Central Metropolitan College of TAFE and Advanced Manufacturing Technologies Centre)
 - (b) \$38,309,943
 - (c) \$34,287,127

- (d) \$38,441,852
 - (e) \$16,783,182
 - (f) \$11,770,885
 - (g) \$9,919,471
 - (h) \$15,319,663
 - (i) \$14,659,906 (includes Hedland and Pundulmurra Colleges)
 - (j) \$8,805,123
- (3)
- (a) \$48,109,433
 - (b) \$38,995,474
 - (c) \$35,720,155
 - (d) \$40,039,426
 - (e) \$17,205,086
 - (f) \$11,720,012
 - (g) \$9,214,087
 - (h) \$14,876,276
 - (i) \$8,677,677
 - (j) \$9,128,041

GREEK OLYMPICS TEAM, COST OF HOSTING

1222. Hon TOM STEPHENS to the Minister for Sport and Recreation:

- (1) What is the anticipated total cost to the State Government for hosting the Greek Olympics team in Perth for the proposed series of pre-Olympic sporting events?
- (2) Has the State Government agreed to underwrite the accommodation costs alone, or does the agreement include transport, entertainment, food or any other costs?
- (3) What is the total anticipated return to Government that will offset these costs that will come through ticket sales to this series of sporting events?
- (4) On what basis was this return calculated?

Hon N.F. MOORE replied:

- (1) The anticipated total cost of hosting the Greek Olympic team in Perth for the proposed series of pre-Olympic sporting events is approximately \$150,000.
- (2) The cost includes the provision of accommodation, ground transport, daily meal allowance and provision of training venues.
- (3) The Government has agreed to the staging of a pre-Olympic sporting series in Perth in August/September 2000. Competitions will be staged in Football (Soccer), Basketball, Volleyball, Water Polo and Hockey. In addition to Greece, the following countries have agreed to participate subject to qualification. Spain, Italy, Yugoslavia, Korea and Australia. A preliminary budget has indicated that the net cost of the pre-Olympic event after allowing for revenue from ticket sales and all costs associated with hosting the teams and staging the events will be in the order of up to \$200,000. The staging of such an event will provide Western Australians with an opportunity to share in the atmosphere of the Sydney 2000 Olympic Games.
- (4) Not applicable.

GOVERNMENT CONTRACTS, REIMBURSEMENT OF UNSUCCESSFUL CONTRACTORS

1327. Hon LJILJANNA RAVLICH to the Minister for Tourism:

For all Government departments and agencies under the Minister's control -

- (1) How many contracts have reimbursed unsuccessful contractors in -
 - (a) 1995/96;
 - (b) 1996/97;
 - (c) 1997/98; and
 - (d) since July 1, 1998?
- (2) For each contract which reimbursed unsuccessful contractors, can the Minister state -
 - (a) the contract number;
 - (b) the date the contract was awarded;
 - (c) the project the contract was awarded for;
 - (d) the successful tenderer;
 - (e) the unsuccessful tenderer/s;
 - (f) the original cost of the contract;
 - (g) the actual final cost of the contract;
 - (h) the amounts paid to unsuccessful tenderer/s; and
 - (i) the names of the unsuccessful tenderer/s?

Hon N.F. MOORE replied:

- (1) (a)-(d) Nil.
- (2) (a)-(i) Not applicable.

GOVERNMENT CONTRACTS, REIMBURSEMENT OF UNSUCCESSFUL CONTRACTORS

1334. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Works:

For all Government departments and agencies under the Minister for Works' control -

- (1) How many contracts have reimbursed unsuccessful contractors in -
 - (a) 1995/96;
 - (b) 1996/97;
 - (c) 1997/98; and
 - (d) since July 1, 1998?
- (2) For each contract which reimbursed unsuccessful contractors, can the Minister state -
 - (a) the contract number;
 - (b) the date the contract was awarded;
 - (c) the project the contract was awarded for;
 - (d) the successful tenderer;
 - (e) the unsuccessful tenderer/s;
 - (f) the original cost of the contract;
 - (g) the actual final cost of the contract;
 - (h) the amounts paid to unsuccessful tenderer/s; and
 - (i) the names of the unsuccessful tenderer/s?

Hon MAX EVANS replied:

I am advised that:

- (1) (a)-(d) None.
- (2) (a)-(i) Not applicable.

CONSULTANTS' REPORTS, TABLING

1375. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Works:

I refer to the Report on Consultants for the six months ending 30 June 1998 and ask -

- (1) Will the Minister for Works table the "Contract Development Legal Advice" prepared by Silks during the period July 1997 to June 1998?
- (2) If not, why not?
- (3) Will the Minister table the "Air Travel Contract Advice" prepared by Travel Fix during the period August 1997 to March 1998?
- (4) If not, why not?

Hon MAX EVANS replied:

I am advised that:

- (1)-(2) Silks was engaged off a pre-qualified panel to prepare tender documents for a number of information technology and related projects, as they have specialist skills in this area. All tenders prepared by Silks are publicly advertised and are therefore already on the public record. There is no other 'legal advice' to table.
- (3)-(4) No. The advice from Travel Fix was not provided as a written report. Travel Fix provided assistance in developing and negotiating aspects of the Domestic Air Travel Reservations contract as required.

LOCAL GOVERNMENT ACT, AMENDMENT

1474. Hon BOB THOMAS to the Minister for Transport representing the Minister for Local Government:

- (1) Is the Minister for Local Government considering amending the 1995 *Local Government Act* to allow property owners to be automatically enrolled in other local government areas where they own property as well as the area they are domiciled and registered on a State or Federal Government electoral roll?
- (2) If yes, what changes is the Minister considering and when will the announcement of those proposed amendments be made?

Hon M.J. CRIDDLE replied:

- (1) No. The *Local Government Act 1995* was amended in 1998 to allow a non-resident owner of rateable property to remain on the electoral roll until the person ceases to own the property following the acceptance of an enrolment eligibility claim.

- (2) Not applicable.

POLICE, KALGOORLIE GOLD DETECTION UNIT

1477. Hon TOM HELM to the Attorney General representing the Minister for Police:

- (1) Can the Minister for Police advise on whose authority the Kalgoorlie Gold Detection Unit released the details of residential addresses of alleged offenders, rather than the residential suburbs as previously advised by the Minister in question on notice 748, part (8)?
- (2) What action, if any, has been taken against the officer(s) concerned?
- (3) Can the Minister advise who authorised the release of an alleged offender's former name to the Golden West Network and *The West Australian* newspaper?
- (4) In relation to the Minister's reply to question on notice 303 of September 8, 1998 can the Minister now advise what the West Australian Police Service intends to do now that the Internal Investigations Unit has stated that a phone call was in fact made to Mr Duke's former employer?
- (5) Can the Minister advise what disciplinary action has been taken against a Senior Detective Constable who released a confidential police document, by way of a police file mugshot, to the Golden West Network, broadcast on June 3, 1998.
- (6) Can the Minister explain why the Superintendent of the Internal Investigations Unit intends to withhold a file from the DPP when he has been advised by the Legal Services Unit that the Senior Detective Constable could be prosecuted in the Supreme Court of Western Australia?

Hon PETER FOSS replied:

- (1) In relation to the address of an "Alleged offender" the policy of the WA Police Service is to release to the media the suburb only. However, the street name can be obtained from public records at the local court.
- (2)-(3) Refer to question 5 as this relates to the same matter.
- (4) The Director of Public Prosecutions Office now have control of prosecutions arising from the Gold Stealing Detection Unit investigation of Mr Duke and others.
- (5) Disciplinary action under Police Force Regulations has been recommended. It is not the practice of the Western Australia Police Service to divulge the details of disciplinary charges preferred against officers or the names of officers.
- (6) There was no intention of with-holding the file mentioned from the Director of Public Prosecutions. An opinion was sought on particular issues from the Legal Services Unit of the WA Police Service. Their conclusions were vetted by the Office of the Crown Solicitor. They recommended that the file need not be forwarded to the Director of Public Prosecutions as the actions of the officer who released a photograph would not likely amount to a contempt of court.

POLICE, GOLD SQUAD, PROCEEDS OF CRIME

1478. Hon TOM HELM to the Attorney General representing the Minister for Police:

- (1) It is alleged that a crown witness in a Gold Squad case was allowed to keep the proceeds of crime, can the Minister for Police explain why?
- (2) What part of operational procedures prevents the Minister from providing the name of the police officer that contacted the Department of Prosecutions to arrange for the extradition of Mr Peter Smith from Queensland to Western Australia?
- (3) Can the Minister confirm the Kalgoorlie Gold Squad provided hotel accommodation for an alleged criminal suspect in late October/early November 1997?
- (4) Can the Minister confirm that two officers remained with this suspect for one week?
- (5) If so, why?
- (6) Why did the Department of Prosecutions provide a Crown witness for the Gold Squad a full indemnity letter with no restitution owing and no jail sentence to be imposed?

Hon PETER FOSS replied:

- (1) Police do not have the statutory power to determine ownership of property that has been gained by virtue of a crime. It is lawful for police officers to seize property under warrant, suspected of being the proceeds of an indictable offence. The property is then taken before the appropriate court to determine ownership. If a specific case is nominated perhaps further comment could be made.
- (2) None. It is common practice for members of the WA Police Service to liaise with staff from the Director of Public Prosecutions' office for the purpose of instigating extradition proceedings.

- (3)-(5) The issues raised in this question are sub judice. Providing this information may impinge on matters currently before court. Further, these matters are of an operational nature and as such are not for public information.
- (6) The issue of indemnity from prosecution is a matter for the Director of Public Prosecutions.

POLICE, MULTICULTURAL LIAISON OFFICERS

1498. Hon LJILJANNA RAVLICH to the Attorney General representing the Minister for Police:

- (1) When will the Police Service appoint further Multicultural Liaison Officers?
- (2) When will these positions be advertised?
- (3) In which Police Districts will these appointments be made?

Hon PETER FOSS replied:

- (1) Following an evaluation on the Mirrabooka Model, it is hoped that the program will continue with the appointment of a Multicultural Liaison Officer in each of the six Metropolitan Districts.
- (2) Following the analysis of this evaluation.
- (3) As in (1)

POLICE, DISTRICT LIAISON ETHNIC ADVISORY COMMITTEES

1499. Hon LJILJANNA RAVLICH to the Attorney General representing the Minister for Police:

- (1) Will the Police Service establish District Liaison Ethnic Advisory Committees?
- (2) In which Police Districts will these Ethnic Advisory Committees be established?
- (3) When will the respective District Ethnic Advisory Committees be established?

Hon PETER FOSS replied:

- (1) Yes.
- (2) Mirrabooka District.
- (3) The first meeting of the Ethnic Advisory Committee was held on 24 March 1999. Further meetings will be held bi-monthly.

CITIZENSHIP, PROMOTION

1505. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Citizenship and Multicultural Interests:

- (1) What programs have been undertaken by the Office of Citizenship and Multicultural Interests to promote citizenship in an inclusive society?
- (2) Which other State Government departments and instrumentalities have taken part in joint programs to promote citizenship in an exclusive society?
- (3) How many of these joint activities have taken place and when did they transpire?

Hon MAX EVANS replied:

I am advised that:

- (1) The Office of Citizenship and Multicultural Interests is in the preliminary stages of developing programs to promote citizenship in an inclusive society. In developing these programs consultation is taking place with other agencies including the Education Department of Western Australia, the Constitutional Centre and the WA Electoral Commission.
- (2)-(3) Not applicable.

CITIZENSHIP AND HARMONY GRANTS PROGRAM

1506. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Citizenship and Multicultural Interests:

- (1) How many programs have been created to provide assistance for the development of eligible projects under the new Citizenship and Harmony Grants programme?
- (2) When did these programs take place?
- (3) Which community groups took part in these programs?

Hon MAX EVANS replied:

I am advised that:

- (1) The new Citizenship and Community Grants Program has recently been advertised expanding the total amount of annual funding from \$70,000 to \$300,000. The Office of Citizenship and Multicultural Interests provides application forms and advice for the development of eligible projects. No other programs have been created.
- (2)-(3) Not applicable.

OFFICE OF CITIZENSHIP AND MULTICULTURAL INTERESTS, REPRESENTATION

1507. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Citizenship and Multicultural Interests:

- (1) In which community committees or councils is the Office of Citizenship and Multicultural Interests represented?
- (2) In which advisory bodies is the Office of Citizenship and Multicultural Interests represented?
- (3) In which interdepartmental -

- (a) committees;
- (b) councils; and
- (c) advisory bodies,

is the Office of Citizenship and Multicultural Interests represented?

Hon MAX EVANS replied:

I am advised that:

- (1) State Working Group Torch Relay, SOCOG
Refugee Week Committee
Overseas Qualifications Network
- (2) Ministerial Millennium Steering Committee
City of Melville Multicultural Advisory Committee
Local Government Multicultural Network Group
Transcultural Advisory Group (Royal Perth Hospital)
Western Australia Police Ethnic Advisory Council
Industry Advisory Committee
- (3) (a)-(c) State Settlement Planning Committee
Standing Committee of Immigration and Multicultural Affairs
Commonwealth/State/Territory Research Committee
National Accreditation Authority for Translators and Interpreters
Regional (WA) Advisory Committee (NAATI)
Language Learning Resource Centres Steering Committee
Strategic Employment Working Group
Overseas Qualifications Network
Australian Bureau of Statistics' Social Statistics Consultative Group
Cultural Diversity Employment Advisory Committee
Commonwealth/State Territory working party on skilled migration.

QUESTIONS WITHOUT NOTICE

STATE BUDGET, LEAKS

1148. Hon N.D. GRIFFITHS to the Minister for Finance:

I refer to the front page of today's *The West Australian* setting out details of the budget released today and ask -

- (1) What role did he or any member of his staff have in leaking any part of today's budget?
- (2) To whom was any part of the budget leaked, and which parts were leaked?
- (3) Is it the minister's policy, as Minister for Finance, that budget considerations should be kept secret or are parts or all of what is in the budget to be selectively leaked to favoured persons?

Hon MAX EVANS replied:

- (1)-(3) I had nothing to do with leaking. I do not believe in it. It does not affect me.

Hon Bob Thomas: You are smiling.

Hon MAX EVANS: I have to laugh. I did not read the paper this morning; I left home too early. There were no leaks as far as I am concerned.

STATE BUDGET, LEAKS

1149. Hon N.D. GRIFFITHS to the Minister for Transport:

I refer to the front page of today's *The West Australian* setting out details of the budget released today, including reference to a one-off injection for Main Roads Western Australia, and ask -

- (1) What role did the minister or any member of his staff have in leaking that detail?
- (2) If none, was he aware of the leaking of this information prior to the presentation of the budget?
- (3) If so, who was responsible for the leak?

Hon M.J. CRIDDLE replied:

- (1)-(3) I have no knowledge of that situation. I certainly do not know who did it.

STATE BUDGET, OPPOSITION ACCESS

1150. Hon KIM CHANCE to the Minister for Finance:

- (1) Is the Minister for Finance aware that other State Governments provide embargoed copies of their budgets to their respective Oppositions, while the Federal Government grants the Opposition access to its budget lockup?
- (2) Given that and the Government's professed ideal of accountability, why was not access to the budget provided to the Opposition via either the budget lockup or an embargoed copy of the budget documents prior to their tabling in Parliament?
- (3) Is it part of the Government's policy that such access to the budget should not be provided to the Opposition?

Hon MAX EVANS replied:

The idea of a lockup for the Opposition is a good idea, and we should throw away the key. I suggest that the member put the question on notice to the Treasurer. He presents the budget and I table the papers in this House on his behalf.

WOODCHIPPING, LOG ASSESSMENT

1151. Hon J.A. SCOTT to the minister representing the Minister for the Environment:

- (1) Is the Minister for the Environment satisfied that the current system of log assessment ensures logs which are of sawlog quality do not go to woodchip mills?
- (2) If yes, what systems are in place to prevent good quality logs from being woodchipped?
- (3) If not, what changes will be made to log assessment processes?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) Yes.
- (2) Logs of different grade are prepared and segregated on bush landings by log harvesting contractors working under contract for the Department of Conservation and Land Management and supervised by CALM officers. CALM provides formal training to its contractors to ensure the grading is carried out correctly and competently. Each person involved in log grading is qualified as a log grader by attending an accredited program administered by CALM. In addition, low quality karri and marri logs may be inspected and selected as sawlogs on bush landings by contract buyers to meet the requirements of that buyer. These log products are referred to as "buyer's choice" sawlog products and any log identified by the contract buyer has precedence over any residue log such as chiplog. The buyer arranges with CALM for buyer's choice sawlogs to be segregated and either loaded on the buyer's truck at the bush landings or delivered to the buyer's yard. Contract buyers also have the opportunity to inspect and purchase buyer's choice sawlogs from residue logs at the WA Chip and Pulp Co Pty Ltd plant. The overriding principle of log grading is to maximise the production of the highest value log grades having regard to the species, quality and size being produced.
- (3) Not applicable.

REGIONAL FOREST AGREEMENT, INFORMATION PACKAGE

1152. Hon NORM KELLY to the minister the Minister for the Environment:

With reference to the information sheet titled "The WA RFA at a glance", released as part of the RFA information package on 4 May -

- (1) Does the minister accept that the first bullet point, which refers to 1 047 200 hectares of formal reserves, actually overstates the area protected by formal reserves by 150 784 ha?
- (2) What steps will be taken to inform recipients of the RFA information package of this error of over 150 000 ha and other errors that may be contained in the package?

- (3) On page 10 of the "Analysis of Public Submissions", the first two issues refer to inaccuracies of maps used in the public consultation period. What is the total area of land that was misrepresented on these maps?
- (4) Were the submitters who pointed out these inaccuracies provided with corrected maps?
- (5) If yes, when did this occur?
- (6) If not, why not?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)-(2) The 1 047 200 hectares refers to the area in the comprehensive, adequate and representative reserve system. This was correctly described in the information sheet entitled "National Parks and Reserves" as the "total area in conservation reserves". Through a typographic error, the wording in the information sheet "The WA RFA at a glance" was not consistent. This has been corrected on the Internet site and will be corrected in any future reprints of the information sheet.
- (3) I acknowledge that 2 580 ha of private property around Wellington Dam was incorrectly shown as crown reserve in data obtained from the Department of Land Administration. Additions to state forest - 50 ha gazetted on 4 February 1997 and 2 375 ha gazetted 17 February 1998 - have been included in the RFA.
- (4)-(6) Due to the volume of submissions, it was not feasible to respond to each individual regarding their submissions. The Government's response to submissions is contained in the "Analysis of Public Submissions", which was published and released with the RFA.

NANNUP TO MARGARET RIVER ROAD, UPGRADE

1153. Hon MURIEL PATTERSON to the Minister for Transport:

Can the minister indicate to the House when the scheduled upgrade of the Nannup to Margaret River road is likely to take place?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question. Mowen Road, which links Nannup and Margaret River, is one of the south west's major tourist links and also an important regional freight route. Main Roads and Margaret River Shire have forged an agreement to progressively upgrade Mowen Road to sealed standard at a cost of \$12m. Funds will be provided from the Transform WA program. The original plan was to start construction in 2004-05 and build the road over four years. By providing an initial allocation of \$350 000 this financial year and utilising the resources of the Margaret River Shire, works can commence immediately and progressively provide road users with an improved road a lot sooner than originally planned. The agreement with the shire is an excellent example of how the State Government and local government can work together for the common good of all road users.

STATE BUDGET, PERTH CONCERT HALL REDEVELOPMENT

1154. Hon J.A. COWDELL to the Minister for the Arts:

- (1) Have any funds been allocated in the budget to facilitate the redevelopment of the Perth Concert Hall with a view to the relocation of the Western Australian Symphony Orchestra?
- (2) If yes, how much?
- (3) If not, have any funds been allocated to assist the soon to be homeless WA Symphony Orchestra?

Hon PETER FOSS replied:

- (1)-(3) No. As members realise, the WA Symphony Orchestra is a wholly-owned subsidiary of the Australian Broadcasting Commission. I have spoken to the ABC about what it intends to do with the money it will realise from the sale of its premises at Adelaide Terrace. Obviously the ABC intends to use those funds for its own purposes. However, it cannot abandon WASO completely. There is still no fully developed plan for that site, so it is early to be allocating funds. I have asked the ABC to recognise in its asset realisation that it has an obligation to WASO.

STATE BUDGET, SOCIAL DIVIDEND

1155. Hon JOHN HALDEN to the Minister for Finance:

The following is a quote from the opening of last year's budget speech delivered by the Premier -

The best social dividend that any government can deliver is to make sure that future generations are not burdened by excessive levels of debt at the same time as service delivery is improved.

At the last election, the Premier also promised a social dividend. He redefined "social dividend" as reducing state debt at the same time as increasing taxes and charges to the average Western Australian family by \$372 per annum in the two budgets following that election commitment. I ask -

- (1) How does the Government now propose to deliver a social dividend to the people of Western Australia?
- (2) What form will that social dividend take as clearly the Premier no longer sees debt reduction as a social dividend?
- (3) What is the Government's new policy with regard to debt reduction?

Point of Order

Hon PETER FOSS: We are getting questions increasingly that infringe the rules in that they contain argumentative matter and statements. The questions are the least part of the process.

The PRESIDENT: It is interesting that the Attorney General should raise that point of order. On a number of occasions I have asked members to read the relevant standing orders at chapter 12. For instance, Standing Order No 140(a)(ii) provides -

Questions shall be concise and not contain:

- (1) arguments;
- (2) inferences;
- (3) imputations;
- (4) unnecessary epithets;
- (5) ironical expressions;
- (6) hypothetical matter;

In that regard the point of order is sustained. One of the problems I have is that it has been the custom in this House to allow questions to be asked in a particular way. The style must be a realistic and practical style having regard to contemporary circumstances. Under the circumstances, I do not believe that unreasonable argument was raised in the question. It also must be said that the tone in which a question is asked, the general mood of the House at a given time and a number of factors must be taken into account. My objection to the question is that two-thirds of it was a statement before the member asked the specific questions. I say that for the information of members. Under the circumstances, I rule that the question is not unreasonable and that the Minister for Finance, if he has an answer, can give it.

Questions without Notice Resumed

Hon MAX EVANS replied:

- (1)-(3) In the broader world, a dividend is money given out, and the Government is not in any position to do that. A social dividend is making life better for many people. Electricity and gas prices have not increased, although the price of water has increased once and the system is being restructured. We have had major benefits there. About \$740m will be spent this year on roads. That is a major social dividend to people who want to move around the State. That is a benefit. Keystart has been allocated \$499m, which is an increase of \$199m from last year. Another 5 000 people will be able to buy a home with practically no deposit. The money spent on hospitals at Joondalup, Mandurah and Bunbury is a huge social dividend. People in those areas can live a far better life. That is all part of the social dividend.

As the member spent so long asking the question, I will not spend much time answering it. The State has done very well with its social dividend. The previous Government's debt continually went up. In the first two years that this Government was in power, it had excess income over expenditure of \$300m or \$400m. The previous Government had a surplus of recurrent income over expenditure of only \$13m over 10 years, \$9m of which went into parliamentary superannuation. All of the capital expenditure was for debt and borrowings. Some of our capital expenditure will be used for borrowings this year because of the extra things we are doing. We are proud of what we are doing. There is a social dividend, and the member knows it.

MANYINGEE URANIUM MINE

1156. Hon GIZ WATSON to the minister representing the Minister for the Environment:

I refer to the Paladin Resources proposed Manyingee uranium mine near Onslow and to correspondence between Mr Barry Carbon and Total Mining on 17 February 1986 and ask -

- (1) What was the method of disposal of waste left by Total Mining as a result of its solutions mining trials at the Manyingee site?
- (2) What was the method of disposal of yellowcake left by Total Mining as a result of its solutions mining trial at the Manyingee site?
- (3) Where was the material disposed of?
- (4) What quantity of material was disposed of?

Hon MAX EVANS replied:

I have an answer about which the member will not be surprised. Providing the information in the time required is not possible and I request that the member place the question on notice

MULTANOVAS, LOCATION POLICY

1157. Hon RAY HALLIGAN to the Attorney General representing the Minister for Police:

Can the minister outline the current policy with regard to where police Multanova speed cameras can be situated?

Hon PETER FOSS replied:

I thank the member for some notice of this question. The criteria to be adhered to with regard to the placement of Multanova speed cameras are as follows -

Metropolitan and rural arterial roads with a high incidence of road crashes where speed is identified as the cause or contributory factor from statistical information provided from police crash reports.

Major roads where a high number of crashes or a high number of severe crashes are identified by police or driver crash reports.

Locations of significant complaint or where the use of other conventional methods will not permit effective detection or identification of offenders, or cannot be used in safety by personnel.

Locations identified by the Commander (Traffic and Operations Support), or the delegated officer/s for such purposes, as having significant value in altering driver behaviour in respect of speeding within specified locations.

The placement of Multanova speed cameras on Western Australian roads is governed by the Speed Camera Placement Committee, which is made up of representatives from the Police Service, Western Australian Municipal Association, Royal Automobile Club of Western Australia, and Main Roads Western Australia.

Several opposition members interjected.

Hon PETER FOSS: I remind members, of course, of who introduced Multanova cameras to Western Australia.

WHITTAKERS LIMITED, ROYALTIES

1158. Hon KEN TRAVERS to the minister representing the Minister for the Environment:

- (1) Further to question without notice 1141 asked yesterday, what arrangement has been entered into between the Department of Conservation and Land Management and Whittakers Ltd with regard to the ongoing payment of royalties?
- (2) Is this arrangement the same arrangement that CALM has with other timber companies such as Bunnings?
- (3) If not, why does CALM's arrangement with Whittakers differ from the arrangement it has with Bunnings?

Hon MAX EVANS replied:

Providing the information in the time available is not possible and I suggest the member place the question on notice.

POLICE OFFICERS

1159. Hon LJILJANNA RAVLICH to the Minister for Justice:

In view of the Minister for Police's commitment that up to 200 police officers will be released by the contracting out of court security and custodial services, how does the Minister for Justice explain the Treasurer's budget speech, which indicates that only close to 100 police officers will be freed up?

Hon PETER FOSS replied:

It is extraordinary that I am being asked a question about the two different views of the Police Minister and the Treasurer; and I do not think it has anything to do with me at all.

The PRESIDENT: Order, members! When members get the *Hansard*, they should read the question - I am saying this to all members - because the Minister for Justice is dead right. In order to bring him into the equation, additional words will need to be added to the question that require or invite him to answer something about his portfolio. The minister is not here to answer without notice questions in respect of the Minister for Police, whom he represents in this House, or the Treasurer, whom he does not represent.

YEAR 2000 INFORMATION DISCLOSURE BILL, INTRODUCTION

1160. Hon CHRISTINE SHARP to the Leader of the House representing the Minister for Commerce and Trade:

- (1) Can the Minister advise whether the Government is planning to introduce similar legislation to the Commonwealth's Year 2000 Information Disclosure Bill?
- (2) Does the minister accept the urgency of the need for complementary state legislation?
- (3) If so, when is it anticipated that legislation will be before this Parliament?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1)-(2) Yes.

(3) It is anticipated the legislation will come to Parliament in early May and be backdated to match commonwealth legislation.

REGIONAL FOREST AGREEMENT, ADVERTISING ON RADIO

1161. Hon N.D. GRIFFITHS to the Attorney General:

I refer to the Government's advertising on radio with regard to the Regional Forest Agreement and ask -

- (1) Has the Attorney advised the Government that this is party political advertising in breach of the Broadcasting Services Act, which requires all political advertising to carry an authorisation tag, or did the Government not seek the Attorney's advice?
- (2) If the Attorney's advice was not sought, will the Attorney ensure that as the Government's senior legal adviser, his advice will be made available?

Hon PETER FOSS replied:

- (1)-(2) I must confess that I have not heard the advertisements because I listen to ABC radio. I am not aware of the matter raised by the member, and I do not know whether my department's advice was sought. I will wait to see whether there is anything in what the member says. If advice is sought, I will certainly provide it.

NATIVE TITLE, CROESUS MINING NL

1162. Hon GREG SMITH to the Minister for Mines:

Croesus Mining NL is having difficulties awarding drilling contracts due to native title. What steps is the Government taking to rectify this situation?

Hon Tom Helm: Good question!

Hon N.F. MOORE replied:

I agree with Hon Tom Helm for once - it is a good question, and the answer is not bad either!

I understand that Mr Ron Manners, the Managing Director of Croesus Mining NL, addressed the rally held in Kalgoorlie recently outside the town hall where the Labor Party Caucus was meeting. It was a very good rally although it was a pity it was not reported in the city media. Everybody in Kalgoorlie knows what happened as it had good coverage in the *Kalgoorlie Miner*. Mr Manners who runs Croesus Mining apparently made some comments about the situation affecting his company. I am pleased that Hon Tom Helm was listening to what was said, as upon hearing those comments he would be more aware of the problems facing Croesus Mining. I indicate to the House what Mr Manners said on that occasion. He said words to the effect that Croesus Mining appreciates that the original intent of the Native Title Act may have been to assist Australia's Aborigines, but the result is exactly the opposite as it is diminishing employment opportunities for all Australians.

Hon Tom Helm: Graeme Campbell said that.

Hon N.F. MOORE: He did, and he was right - I agree with him too.

Hon Tom Helm: You agree with anyone who agrees with you.

Hon N.F. MOORE: He is one of Hon Tom Helm's mob, not mine. He was a Labor member, was he not?

Hon Tom Helm: That is right - the One Nation supporter!

Hon N.F. MOORE: Mr Manners went on to say that the unworkable Native Title Act is the major obstacle to employment growth in the goldfields. This is contrary to what we were told last night. Mr Manners outlined that Croesus Mining has \$20m cash available for exploration, and hundreds of drill targets ready to drill; however, it is unable to proceed with the exploration as it has over 100 mining titles still in the application stage as a result of native title. This is preventing the company from awarding drilling contracts and proceeding with exploration and the discovery of further ore bodies. Of course, these bodies are the mines of the future, which we need to discover now or we will have serious problems in the future. Mr Manners pointed out that attempts to negotiate with the various multiple claimants have not worked because of the varying demands by individual claimant groups. The existing right to negotiate process has lengthy time lines which further impede quick access to the ground for exploration purposes.

Mr Manners concluded by indicating that unless the deadlock is broken and an amended system of consultation is introduced to replace the unworkable negotiation process, job prospects on the goldfields will not improve. Hon Greg Smith asked what the Government is doing. The Government introduced legislation last year to provide for a state regime. This measure was so significantly and severely amended by the opposition parties in this House that it had to be thrown in the bin. The Government can only improve the situation with native title with the concurrence of members opposite to put in place a regime which works. If Labor Party members who were in Kalgoorlie the other day did not gain an understanding that native title is a serious problem in the goldfields, they will never understand anything. It is a major problem in the area. They should do something about it. For a start, members opposite could agree to validate the 1 300 leases and, secondly, they could indicate some support for a state-based regime.

WOMEN'S HEALTH PROGRAM

1163. Hon BOB THOMAS to the minister representing the Minister for Health:

- (1) Is the Minister for Health currently engaged in discussions regarding the future of the national women's health program?
- (2) Will the program continue past the current funding period?
- (3) Has consideration been given to increasing funding to projects?
- (4) Has consideration been given to triennial funding to the program?
- (5) Will there be a funding increase to rural projects to help them meet additional communication and outreach-associated costs?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) No. However the Health Department of Western Australia is currently engaged in discussions with the Commonwealth regarding the renegotiation of the public health outcome funding agreement, which includes funding for the national women's health program.
- (2) It is expected that the national women's health program will continue.
- (3) Projects supported by the national women's health program may be subject to an escalation in funding along with other non-governmental service providers, subject to budget constraints and other health priorities.
- (4) The Health Department of Western Australia is currently reviewing the purchasing policy with regard to non-governmental service providers and may consider providing funding beyond an annual basis. However, this arrangement will need to consider the funding arrangement with the Commonwealth.
- (5) The Health Department will give consideration to increased funding to rural non-governmental service providers to meet additional communication and outreach-associated costs, subject to the submission of business cases, and with respect to budget constraints and other health priorities.

REGIONAL FOREST AGREEMENT, ADVERTISING CAMPAIGN

1164. Hon NORM KELLY to the minister representing the Minister for the Environment:

- (1) What amount of money has been allocated for the advertising campaign to sell to Western Australians, or inform them of, the details contained in the Regional Forest Agreement?
- (2) How much of this money is being provided by the Federal Government?
- (3) Which company or companies have been contracted to handle this advertising campaign?
- (4) Are any of the directors of these companies members of the Liberal Party?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)-(2) Because of the interest in the Regional Forest Agreement and the number of submissions received, there is a need to widely communicate the results of the process. Planned expenditure to date is \$310 000. State funding is estimated at \$50 000, and federal funding is approximately \$260 000.
- (3) 303 Advertising Pty Ltd.
- (4) No.

WOOROLOO PRISON SOUTH, FINANCING

1165. Hon JOHN HALDEN to the Minister for Justice:

The 1999-2000 budget shows an allocation of \$1.3m for infrastructure, planning and advance works for the new Wooroloo Prison South. I ask -

- (1) Why will this expense be borne by the Government and not the successful contractor?
- (2) Yesterday, when I asked the minister who was financing the current work on site at Wooroloo Prison South, he said it was being financed by the consortia. Which statement is correct, that made by the minister yesterday or that in the budget speech?

Hon PETER FOSS replied:

- (1)-(2) It is rather strange to suggest that the Government should not be spending any money while the work is being carried out by a contractor. The work on site is being financed by the contractor and money is allocated in the budget for the planning that the Government needs to do. That is perfectly appropriate.

COURT SECURITY AND CUSTODIAL SERVICES, FREEING UP OF POLICE OFFICERS

1166. Hon LJILJANNA RAVLICH to the Minister for Justice:

In view of the commitment by the Minister for Justice that up to 200 police officers will be released by the contracting out of court security and custodial services, how does the minister explain the Treasurer's statement in the budget speech that only "close to 100 police officers" will be freed up?

The PRESIDENT: I know that in its present form the member's question is still tenuous, but I think she has attempted to put it into a form that would invite the minister to answer it.

Hon PETER FOSS replied:

It is not for me to even attempt to explain the Treasurer's budget speech. I leave it to the Treasurer to make himself perfectly clear.
